

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



November 28, 2023

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
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	January and February 2023 DTA Payment Request Report No. 2023-29 and 2023-30
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	March 2023 DTA Payment Request Report No. 2023-48
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	April 2023 DTA Payment Request Report No. 2023-52
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	May and June 2023 DTA Payment Request Report No. 2023-53 and 2023-54
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	July 2023 DTA Payment Request Report No. 2023-55
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Hidalgo Wind Farms, LLC Ph. I & Ph. II Tax Abatement Report No. 2023-18 and 2023-19
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	Wonderful Citrus Packing, LLC 2023 Tax Abatement Report No. 2023-20
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	United Parcel Service, Inc. 2023 Tax Abatement Report No. 2023-21
Myra Ayala, City Manager City of Edinburg	City of Edinburg TIRZ No. 3 La Sienna - Report No. 2023-38
Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	City of McAllen TIRZ No. 1 (THML1) Report No. 2023-44
Roy Rodriguez, City Manager City of McAllen	McAllen TIRZ No. 1 Report No. 2023-44
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	McAllen TIRZ No. 1 Report No. 2023-44
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	Sanitation MFR for February 2022 through July 2023
The Honorable Toribio Palacios, Criminal District Attorney	Forensic Center MFR for January 2022 through June 2023
The Hon. Celestino Avila Jr. Constable Precinct No. 1	MFR for February 2022 through February 2023

HIDALGO COUNTY DISTRICT JUDGES


LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 448TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

The Hon. Atanacio Gaitan Jr., Constable Precinct No. 4	MFR for March 2022 through February 2023
The Hon. Martin Cantu, Constable Precinct No. 2	MFR for February 2022 through February 2023
Mr. Homero Garza, Fire Marshal	MFR for September 2022 through April 2023
The Hon. Laura Hinojosa, Hidalgo County District Clerk	Monthly Fees Report for July 2022 through June 2023
Mr. Eduardo Olivarez, Chief Administrative Officer Hidalgo County Health and Human Services Department	Elsa Health Clinic Cash Count Report No. 2022-566
Mr. Eduardo Olivarez, Chief Administrative Officer Hidalgo County Health and Human Services Department	Weslaco Health Clinic Cash Count Report No. 2022-568
Mr. Eduardo Olivarez, Chief Administrative Officer Hidalgo County Health and Human Services Department	Edinburg Health Clinic Cash Count Report No. 2022-569
Mr. Eduardo Olivarez, Chief Administrative Officer Hidalgo County Health and Human Services Department	McAllen Health Clinic Cash Count Report No. 2022-570
Mr. Eduardo Olivarez, Chief Administrative Officer Hidalgo County Health and Human Services Department	Hidalgo Health Clinic Cash Count Report No. 2022-571
Mr. Eduardo Olivarez, Chief Administrative Officer Hidalgo County Health and Human Services Department	Mission Health Clinic Cash Count Report No. 2022-572
Mr. Faustino Lopez, Director Community Supervision and Corrections Department	CSCD Cash Count Report No. 2022-594
Ms. Hilda Ann Salinas, Elections Administrator	Cash Count Report No. 2022-596
The Hon. Laura Hinojosa, Hidalgo County District Clerk	Cash Count Report No. 2022-597
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Recording and Official Records and Vital Statistics Cash Count Report No. 2022-582
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Collections Department Cash Count Report No. 2022-583
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Main Office Cash Count Report No. 2022-585
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Pharr Tax Office Cash Count Report No. 2022-574
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Weslaco Tax Office Cash Count Report No. 2022-575
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Alamo Tax Office Cash Count Report No. 2022-577
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	San Juan Tax Office Cash Count Report No. 2022-578
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Mission Tax Office Cash Count Report No. 2022-579
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Elsa Tax Office Cash Count Report No. 2022-580
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	McAllen Tax Office Cash Count Report No. 2022-581
The Hon. Bobby Contreras, Justice of the Peace Pct. 2 Pl. 1	Cash Count Report No. 2022-600
The Hon. Jaime J. Munoz, Justice of the Peace Pct. 2 Pl. 2	Cash Count Report No. 2022-601
The Hon. Sonia "Dr." Trevino, Justice of the Peace Pct. 3 Pl. 1	Cash Count Report No. 2022-602
The Hon. Juan "J.J." Pena, Justice of the Peace Pct. 3 Pl. 2	Cash Count Report No. 2022-603
The Hon. Charlie Espinoza, Justice of the Peace Pct. 4 Pl. 1	Cash Count Report No. 2022-604
The Hon. Andre Maldonado, Justice of the Peace Pct.4 Pl. 2	Cash Count Report No. 2022-605
The Hon. Jason Pena, Justice of the Peace Pct. 5, Pl. 1	Cash Count Report No. 2022-606
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Pharr Motor Vehicle Cash Count Report No. 2022-586
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Edinburg Motor Vehicle Cash Count Report No. 2022-588
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Alamo Motor Vehicle Cash Count Report No. 2022-589
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	San Juan Motor Vehicle Cash Count Report No. 2022-590

HIDALGO COUNTY DISTRICT JUDGES

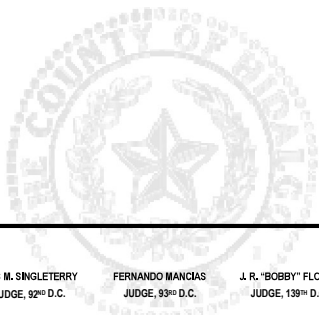
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Mission Motor Vehicle Cash Count Report No. 2022-591
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Elsa Motor Vehicle Cash Count Report No. 2022-592
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	McAllen Motor Vehicle Cash Count Report No. 2022-593

Respectfully,



Linda Fong, CPFO
Interim County Auditor

Attachments



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

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EDINBURG, TEXAS 78539

April 10, 2023

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

Re: January and February 2023 DTA Payment Request Report No. 2023-29 and 2023-30

Dear Mr. Villarreal:

We completed a limited scope review of the January and February 2023 payment requests 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 requests were accurate and properly authorized.

The results of the review revealed that the payment requests were generally accurate and properly authorized. The January 2023 DTA payment request in the amount of \$142,923.38 was paid on April 4, 2023. We will proceed to process the February 2023 DTA payment request to LGBS in the amount of \$125,363.48.

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 requests prepared by your office for the months ended January 31, 2023 and February 28, 2023. 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 requests were 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 months of January and February 2023."
- 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.

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JUDGE, 93RD D.C.

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JUDGE, 139TH D.C.

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JUDGE, 206TH D.C.

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JUDGE, 464TH D.C.

Based on the review, the following was noted:

- The payment requests were 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 months of January and February 2023."
- Although DTA fees for 167 tax accounts in the month of January 2023 were not collected at the 15% rate specified in the contract; we concluded that the differences in rates were attributed to tax deferrals (164 tax accounts), and small amounts collected (3 tax accounts) (see Exhibit A).
- Although DTA fees for 190 tax accounts in the month of February 2023 were not collected at the 15% rate specified in the contract; we concluded that the differences in rates were attributed to tax deferrals (186 tax accounts), and small amounts collected (4 tax accounts) (see Exhibit B).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the months of January and February 2023 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-2511, ext. 4641, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, 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
Interim County Auditor

Enclosure: Exhibits A & B

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

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Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2021	A06000000000101	0.30	0.07	0.37	0.06
2	1	2020	T525000015001600	676.42	155.01	831.43	116.68
3	1	2020	R29750000A000100	29.27	7.80	37.07	5.27
4	1	2020	M054700000004700	7.70	2.18	9.88	1.42
5	1	2020	M365000000001300	0.04	0.01	0.05	0.01
6	1	2020	M054700000004700	-7.70	-2.18	-9.88	-1.42
7	1	2019	T525000015001600	498.05	183.86	681.91	96.37
8	1	2019	P640000063000100	262.74	98.53	361.27	51.23
9	1	2019	T525000015001600	53.88	19.88	73.76	10.42
10	1	2019	M418098000003600	50.77	19.92	70.69	10.13
11	1	2019	M054700000004700	27.64	11.17	38.81	5.60
12	1	2019	L510002006001700	28.15	10.39	38.54	5.45
13	1	2019	T094002000006600	1.16	0.44	1.60	0.23
14	1	2019	J570000011000200	0.06	0.03	0.09	0.01
15	1	2019	M195000044001000	0.04	0.01	0.05	0.01
16	1	2019	L510002006001700	-28.15	-10.39	-38.54	-5.45
17	1	2019	M054700000004700	-27.64	-11.17	-38.81	-5.60
18	1	2018	G062600000000100	172.98	61.41	234.39	30.62
19	1	2018	S244000000005400	43.88	11.66	55.54	7.04
20	1	2018	G062600000000100	14.41	5.12	19.53	2.55
21	1	2018	T525000015001600	10.13	4.95	15.08	2.14
22	1	2018	P640000063000100	2.86	1.41	4.27	0.61
23	1	2017	A180000048001302	414.88	189.81	604.69	79.04
24	1	2017	L590000004000400	42.77	19.07	61.84	8.02
25	1	2017	C470000013001100	29.70	14.16	43.86	5.84
26	1	2017	V368504000015600	32.68	13.43	46.11	5.83
27	1	2017	C470000013001100	29.62	14.23	43.85	5.82
28	1	2017	R106000000004700	24.05	14.80	38.85	5.56
29	1	2017	R106000000004700	24.00	14.66	38.66	5.54
30	1	2017	B460001002000300	9.32	5.89	15.21	2.19
31	1	2017	B460001002000300	9.32	5.89	15.21	2.19
32	1	2016	A180000048001302	468.69	270.67	739.36	97.72
33	1	2016	E170003000003600	261.13	127.95	389.08	48.57
34	1	2016	A176500000002100	204.45	95.57	300.02	36.19
35	1	2016	M473003000004500	79.29	53.20	132.49	18.44
36	1	2016	C162300000002000	24.41	13.95	38.36	5.05
37	1	2016	C162300000002000	24.41	13.95	38.36	5.05
38	1	2016	E650000006001000	24.68	11.70	36.38	4.44
39	1	2016	R080002000010302	18.69	8.73	27.42	3.31
40	1	2016	C162300000002000	-24.41	-13.95	-38.36	-5.05
41	1	2016	M473003000004500	-79.29	-53.20	-132.49	-18.44
42	1	2015	A180000048001302	473.29	330.12	803.41	107.20
43	1	2015	H150000001000100	367.19	231.03	598.22	77.11
44	1	2015	A176500000002100	206.38	121.24	327.62	40.24
45	1	2015	B255000000016100	196.45	114.76	311.21	38.01
46	1	2015	R116002000003000	64.57	56.33	120.90	17.53
47	1	2015	B158504000007200	66.57	40.22	106.79	13.48
48	1	2015	E170003000003600	13.63	8.32	21.95	2.78
49	1	2014	A180000048001302	477.89	390.67	868.56	116.84

50	1	2014	A080000000106314	510.35	327.05	837.40	93.39
51	1	2014	L110001004005701	291.47	189.70	481.17	54.65
52	1	2014	P310800000002300	41.96	30.63	72.59	9.31
53	1	2014	V089500000006500	20.43	12.82	33.25	3.62
54	1	2014	B395002000001800	0.98	0.69	1.67	0.21
55	1	2013	A180000048001302	317.62	297.77	615.39	83.38
56	1	2013	L110001004005701	250.19	192.85	443.04	51.41
57	1	2013	P033500000001700	113.78	83.15	196.93	21.33
58	1	2013	S160000000003989	30.34	24.50	54.84	6.74
59	1	2013	V382000000016200	18.95	17.87	36.82	5.00
60	1	2013	N480000004000203	24.19	17.76	41.95	4.57
61	1	2013	W475000000002805	16.97	13.20	30.17	3.54
62	1	2013	S160000000003989	15.80	12.76	28.56	3.51
63	1	2013	N861301000009900	19.05	13.67	32.72	3.46
64	1	2012	R140003000003200	738.70	591.57	1,330.27	135.18
65	1	2012	P033500000001700	586.68	499.16	1,085.84	120.56
66	1	2012	S095000002000400	207.73	216.04	423.77	57.33
67	1	2012	L110001004005701	166.51	148.33	314.84	37.22
68	1	2012	P927701000001600	60.43	50.61	111.04	12.06
69	1	2012	N861302000005600	30.80	26.50	57.30	6.46
70	1	2012	L205000018000100	22.89	19.16	42.05	4.56
71	1	2012	E540000020004900	6.27	5.20	11.47	1.23
72	1	2011	R140003000003200	688.09	633.62	1,321.71	138.31
73	1	2011	S095000002000400	261.11	302.89	564.00	76.77
74	1	2011	A210000044002300	237.19	275.14	512.33	69.73
75	1	2011	S427000000007000	133.81	138.84	272.65	33.92
76	1	2011	B158504000004200	83.92	81.75	165.67	18.88
77	1	2011	K240000000007305	20.53	18.15	38.68	3.79
78	1	2011	E540000020004900	15.88	15.10	30.98	3.41
79	1	2011	P033500000001700	3.78	3.67	7.45	0.84
80	1	2010	R140003000003200	700.74	729.35	1,430.09	153.46
81	1	2010	P704001000014400	560.49	547.88	1,108.37	106.77
82	1	2010	B001001000004100	62.84	69.80	132.64	15.74
83	1	2010	P811503000000600	50.52	49.05	99.57	9.47
84	1	2010	S095000002000400	26.28	33.64	59.92	8.20
85	1	2010	N580000004001500	12.70	12.31	25.01	2.37
86	1	2010	D460000120000100	2.66	2.99	5.65	0.68
87	1	2009	E29000200C006100	172.24	194.20	366.44	38.24
88	1	2009	K240000000032522	139.76	144.06	283.82	24.95
89	1	2009	H305000000000400	86.12	105.14	191.26	22.74
90	1	2009	R284805000001000	61.52	86.48	148.00	20.39
91	1	2009	C902500000002900	75.44	79.26	154.70	14.14
92	1	2009	N770000009000500	17.95	27.21	45.16	6.46
93	1	2009	T210000236000211	13.92	18.05	31.97	4.15
94	1	2009	S460000001001600	15.57	16.79	32.36	3.11
95	1	2008	E29000200C006100	143.54	179.06	322.60	34.45
96	1	2008	P927901000007000	42.91	56.39	99.30	11.58
97	1	2008	S170002021001020	26.31	40.76	67.07	9.35
98	1	2008	B158504000007200	7.56	10.92	18.48	2.48
99	1	2008	V280000002000300	8.90	10.93	19.83	2.06
100	1	2007	B240001000001200	272.33	327.94	600.27	50.25

101	1	2007	S397509000009200	84.03	105.59	189.62	17.65
102	1	2007	S397509000009200	58.95	74.08	133.03	12.38
103	1	2007	S397509000009200	58.95	74.08	133.03	12.38
104	1	2007	G99500000A000400	32.21	38.77	70.98	5.94
105	1	2007	H365003000001100	22.71	28.79	51.50	4.84
106	1	2007	M015000062000401	9.93	14.54	24.47	2.99
107	1	2007	S397509000009200	-58.95	-74.08	-133.03	-12.38
108	1	2006	B444301000002400	252.11	322.71	574.82	46.52
109	1	2006	S575001002000600	32.69	41.97	74.66	6.03
110	1	2006	B158003004001400	18.01	26.43	44.44	4.81
111	1	2005	B444301000002400	252.11	352.96	605.07	51.05
112	1	2005	R134002000002400	52.24	91.46	143.70	18.73
113	1	2005	G480004001004000	29.46	45.78	75.24	7.95
114	1	2005	W560000000006300	5.01	7.95	12.96	1.43
115	1	2005	R225001003001900	2.33	4.07	6.40	0.83
116	1	2005	A245600000003000	1.79	2.74	4.53	0.47
117	1	2004	V020000013000001	387.67	561.15	948.82	72.11
118	1	2004	B444301000002400	216.75	329.46	546.21	47.79
119	1	2004	W74000010B000100	76.31	142.01	218.32	28.39
120	1	2004	V020000013000003	89.68	129.80	219.48	16.68
121	1	2004	B190016000000400	43.06	64.92	107.98	9.17
122	1	2004	C180000010000900	31.45	45.41	76.86	5.80
123	1	2004	B496504000032900	7.75	14.12	21.87	2.75
124	1	2004	A413000000001700	8.38	13.66	22.04	2.24
125	1	2004	R134002000002400	4.53	8.47	13.00	1.71
126	1	2003	L185002000001100	66.96	112.77	179.73	17.17
127	1	2003	W010000030000728	42.81	81.39	124.20	15.16
128	1	2003	S477000000006600	39.88	74.59	114.47	13.64
129	1	2003	V020000013000003	38.02	59.60	97.62	7.76
130	1	2003	C690000001000700	6.27	10.32	16.59	1.50
131	1	2003	V020000013000001	7.16	11.23	18.39	1.46
132	1	2003	S477000000006600	-39.88	-74.59	-114.47	-13.64
133	1	2002	1004100010000006	39.57	72.98	112.55	11.57
134	1	1999	M595002000002700	42.59	103.52	146.11	19.10
135	1	1999	M595002000002700	42.59	103.52	146.11	19.10
136	1	1999	M595002000002700	42.59	103.53	146.12	19.10
137	1	1999	R385000003000700	5.98	13.43	19.41	2.18
138	1	1999	L025000010000000	2.48	6.65	9.13	1.31
139	1	1999	E400000010000500	2.86	6.07	8.93	0.89
140	1	1998	H045000085001300	41.39	101.16	142.55	17.32
141	1	1998	E720000009000600	21.47	50.29	71.76	8.01
142	1	1998	E540000002002100	22.63	48.96	71.59	6.62
143	1	1998	M625500000000600	0.71	1.56	2.27	0.21
144	1	1997	B158504000007200	42.78	118.25	161.03	22.52
145	1	1997	S170003007001200	25.10	56.32	81.42	7.34
146	1	1997	E540000002002100	4.65	10.62	15.27	1.44
147	1	1996	A080098000111600	8.08	23.76	31.84	4.52
148	1	1996	A080098000111600	2.65	7.82	10.47	1.49
149	1	1995	A080098000111600	14.20	43.49	57.69	8.20
150	1	1995	S144000000005100	9.76	25.82	35.58	3.92
151	1	1995	S144000000005100	5.83	15.42	21.25	2.34
152	1	1994	J570000001001034	12.12	31.32	43.44	4.08
153	1	1994	F345000156001200	8.97	22.74	31.71	2.83

154	1	1994	S144000000005100	1.75	4.84	6.59	0.74
155	1	1993	A080000000114909	11.00	33.57	44.57	5.63
156	1	1991	A210000003001700	43.97	148.68	192.65	25.86
157	1	1988	M215000001002000	0.21	0.68	0.89	0.09
158	1	1987	M215000001002000	1.20	4.13	5.33	0.56
159	1	1982	S120000000003100	-7.86	-35.73	-43.59	-6.21
160	17	1982	S120000000003100	-1.18	-5.35	-6.53	-0.93
161	1	2018	P100003000026300	189.74	70.68	260.42	34.44
162	1	2012	E540000045000300	65.51	56.61	122.12	13.86
163	1	2008	P640000062000500	71.46	84.84	156.30	15.22
164	1	1991	B030000030001100	6.00	18.51	24.51	2.73
165	1	2021	M6950990010000A9	0.84	0.20	1.04	0.15
166	1	2021	B240002001000900	0.14	0.03	0.17	0.02
167	1	2020	L492097000003004	1.02	0.36	1.38	0.20

Exhibit B

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2021	H250000036000800	0.15	0.04	0.19	0.03
2	1	2021	V250000002000300	0.06	0.02	0.08	0.01
3	1	2020	D680000048000300	206.89	57.24	264.13	37.55
4	1	2020	R29750000A000100	31.13	8.42	39.55	5.60
5	1	2020	M520000061000400	11.56	2.95	14.51	2.05
6	1	2020	T210000236000210	0.04	0.01	0.05	0.01
7	1	2019	C153500000003100	70.74	29.70	100.44	14.54
8	1	2019	M418098000003600	50.65	20.08	70.73	10.10
9	1	2019	B030000027001800	46.14	17.22	63.36	8.93
10	1	2019	L526003000010300	43.71	15.30	59.01	8.20
11	1	2019	V200000003001600	13.38	4.84	18.22	2.55
12	1	2019	C153500000003100	-70.74	-29.70	-100.44	-14.54
13	1	2018	L565001000005400	41.73	14.99	56.72	7.39
14	1	2018	V200000003001600	11.95	5.76	17.71	2.49
15	1	2018	M355000162001600	0.16	0.06	0.22	0.03
16	1	2018	L565001000005400	-41.73	-14.99	-56.72	-7.39
17	1	2017	P840000000017210	293.22	137.08	430.30	56.30
18	1	2017	N855800000003100	55.97	24.86	80.83	10.41
19	1	2017	L590000004000400	42.66	19.20	61.86	8.00
20	1	2016	P840000000017210	301.28	177.00	478.28	63.27
21	1	2016	M465900000005300	181.27	90.64	271.91	33.99
22	1	2016	L110002003008900	169.51	81.08	250.59	30.51
23	1	2016	B315001004003500	138.92	71.08	210.00	26.46
24	1	2016	N855800000003100	85.53	48.25	133.78	17.45
25	1	2016	M465900000005300	9.79	4.89	14.68	1.84
26	1	2016	P779000000006600	9.50	4.86	14.36	1.81
27	1	2015	E400000005001000	175.55	96.85	272.40	31.07
28	1	2015	T625001000001000	72.13	43.64	115.77	14.50
29	1	2015	S073000000001500	39.76	31.83	71.59	10.02
30	1	2015	W230000058000700	25.70	14.94	40.64	4.89
31	1	2015	R116002000003000	17.41	15.26	32.67	4.73
32	1	2015	R332097000005301	5.96	4.05	10.01	1.31
33	1	2014	C070000101001320	173.03	109.29	282.32	30.63
34	1	2014	B395002000001800	79.93	56.35	136.28	16.78
35	1	2014	R332097000005301	43.59	34.80	78.39	10.40
36	1	2014	E400000005001000	41.06	27.58	68.64	8.01
37	1	2014	T210000239001530	27.38	18.03	45.41	5.18
38	1	2014	S265001000004100	14.80	12.95	27.75	3.82
39	1	2014	T210000239001530	6.85	4.51	11.36	1.29
40	1	2014	T210000239001530	3.42	2.25	5.67	0.65
41	1	2014	T210000239001530	-27.38	-18.03	-45.41	-5.18
42	1	2013	S016000000005400	109.54	89.27	198.81	24.48
43	1	2013	N861301000009900	19.01	13.72	32.73	3.45
44	1	2012	W060000001001100	136.31	112.46	248.77	26.17
45	1	2012	P440000000001400	83.21	68.66	151.87	15.98
46	1	2012	S095000002000400	38.50	40.20	78.70	10.63
47	1	2012	P696500000000300	42.96	39.74	82.70	10.18
48	1	2012	S160000000004815	39.86	37.94	77.80	9.92
49	1	2012	E540000020004900	28.67	23.94	52.61	5.63

50	1	2012	L205000018000100	22.83	19.21	42.04	4.55
51	1	2011	I200001000009800	324.36	348.68	673.04	87.09
52	1	2011	C005000000000607	177.71	187.49	365.20	46.12
53	1	2011	L585000000000100	175.75	153.19	328.94	31.10
54	1	2011	R015000000004500	131.93	129.95	261.88	30.08
55	1	2011	W010000040001045	138.81	126.08	264.89	26.86
56	1	2011	W060000001001100	117.10	110.66	227.76	24.59
57	1	2011	B156007000006300	132.82	116.22	249.04	23.71
58	1	2011	W010000045000300	56.87	55.06	111.93	12.54
59	1	2011	B001001000004100	44.72	44.51	89.23	10.40
60	1	2011	Q300000WLD000800	18.40	16.59	34.99	3.51
61	1	2011	C005000000000607	13.17	13.89	27.06	3.42
62	1	2011	S016000000005400	2.11	2.23	4.34	0.55
63	1	2011	P300003000000A00	0.31	0.45	0.76	0.11
64	1	2010	C005000000000607	149.15	175.25	324.40	41.39
65	1	2010	B190024000007700	166.07	159.15	325.22	29.89
66	1	2010	W010000040001045	138.81	142.74	281.55	29.36
67	1	2010	L335202000001500	112.92	109.35	222.27	20.84
68	1	2010	H050000001003000	86.21	94.40	180.61	20.82
69	1	2010	B010000012000400	41.26	49.55	90.81	12.01
70	1	2010	R284805000001000	21.39	27.60	48.99	6.71
71	1	2010	N580000004001500	12.69	12.33	25.02	2.36
72	1	2009	A550000000004400	328.69	350.05	678.74	63.11
73	1	2009	R284805000001000	100.10	141.15	241.25	33.18
74	1	2009	B190024000007700	166.07	179.08	345.15	32.88
75	1	2009	S004001000002900	89.74	108.73	198.47	23.15
76	1	2009	H305000000004000	85.97	105.33	191.30	22.70
77	1	2009	W010000040001045	94.15	108.11	202.26	21.61
78	1	2009	R284805000001000	64.53	90.98	155.51	21.39
79	1	2009	R190000163000700	86.57	90.46	177.03	15.84
80	1	2009	L335202000001500	53.89	58.65	112.54	10.91
81	1	2009	E015700000009800	23.98	32.56	56.54	7.63
82	1	2009	S705000000003700	32.41	34.41	66.82	6.17
83	1	2009	C005000000000607	18.90	24.47	43.37	5.58
84	1	2009	G130000001000200	21.76	22.88	44.64	4.05
85	1	2009	R415000001000900	15.24	17.10	32.34	3.32
86	1	2009	P927901000007000	9.17	10.91	20.08	2.31
87	1	2008	B190024000007700	166.07	199.01	365.08	35.87
88	1	2008	V280000002000300	8.89	10.95	19.84	2.05
89	1	2008	A550000000004400	5.71	6.77	12.48	1.20
90	1	2008	P927901000007000	3.94	5.16	9.10	1.06
91	1	2008	B156007000004400	5.48	6.17	11.65	1.00
92	1	2007	P440000000001400	400.64	570.91	971.55	112.98
93	1	2007	A550000000004400	164.35	214.48	378.83	37.47
94	1	2007	P811503000008100	109.16	168.19	277.35	36.68
95	1	2007	B190024000007700	153.06	201.78	354.84	35.82
96	1	2007	H47000000L000108	73.58	94.80	168.38	16.23
97	1	2007	N540000041000200	22.13	31.17	53.30	6.08
98	1	2007	S705000000003700	17.86	23.25	41.11	4.05
99	1	2007	M015000062000401	13.22	19.41	32.63	3.98
100	1	2007	M475000002001600	2.87	3.68	6.55	0.62

101	1	2006	P811503000008100	104.42	173.42	277.84	36.96
102	1	2006	C980000002000817	98.63	137.27	235.90	22.78
103	1	2006	A550000000004400	45.49	64.82	110.31	11.19
104	1	2006	B158003004001400	18.00	26.47	44.47	4.80
105	1	2006	L43500000G000502	9.06	12.14	21.20	1.88
106	1	2006	B444301000002400	-252.11	-322.71	-574.82	-46.52
107	1	2005	S295000000045675	200.99	283.06	484.05	40.70
108	1	2005	M583003000000200	190.44	270.12	460.56	39.42
109	1	2005	L106904000000700	62.81	92.02	154.83	14.32
110	1	2005	I200001000009800	14.45	25.92	40.37	5.44
111	1	2005	L635500000000100	17.06	26.42	43.48	4.53
112	1	2005	S170002030000702	13.51	20.54	34.05	3.42
113	1	2005	M355000056000400	12.37	19.35	31.72	3.37
114	1	2005	W230000052000300	8.21	13.60	21.81	2.58
115	1	2005	M355000056000400	8.69	13.59	22.28	2.37
116	1	2005	S683000000020800	12.40	16.96	29.36	2.29
117	1	2005	R225001003001900	2.32	4.08	6.40	0.83
118	1	2005	B444301000002400	-252.11	-352.96	-605.07	-51.05
119	1	2004	M583003000000200	95.94	147.58	243.52	21.59
120	1	2004	C180000010000900	31.39	45.48	76.87	5.80
121	1	2004	A413000000001700	12.57	20.50	33.07	3.35
122	1	2004	G040000006000100	10.02	17.72	27.74	3.29
123	1	2004	S295000000045675	14.33	21.90	36.23	3.16
124	1	2004	S725002008000200	8.73	14.61	23.34	2.49
125	1	2004	S477000000006600	6.95	12.21	19.16	2.25
126	1	2004	W010000044001052	6.83	9.89	16.72	1.26
127	1	2004	M355000056000400	3.51	5.92	9.43	1.02
128	1	2004	B444301000002400	-216.75	-329.46	-546.21	-47.79
129	1	2003	C655000003002100	94.78	148.64	243.42	19.19
130	1	2003	A180000064001504	25.41	44.69	70.10	7.32
131	1	2003	S477000000006600	20.88	39.22	60.10	7.14
132	1	2002	C140000083001322	52.95	104.58	157.53	18.51
133	1	2002	T210000235000409	44.90	79.24	124.14	11.45
134	1	2002	C655000003002100	35.73	60.32	96.05	7.88
135	1	2001	F210000004000000	171.56	293.08	464.64	33.20
136	1	2001	T210000235000409	26.77	50.46	77.23	7.31
137	1	2001	C140000083001322	7.77	16.28	24.05	2.86
138	1	2001	L222500000001500	0.74	1.32	2.06	0.17
139	1	2000	F210000004000000	168.20	307.52	475.72	35.57
140	1	2000	V089500000004800	78.17	182.00	260.17	34.12
141	1	2000	L605000000003732	70.20	143.78	213.98	21.80
142	1	2000	E810000007003005	4.95	10.39	15.34	1.66
143	1	2000	L222500000001500	3.77	7.22	10.99	0.95
144	1	1999	F210000004000000	144.60	281.73	426.33	33.19
145	1	1999	S4770000000040600	19.60	46.28	65.88	8.14
146	1	1999	S165000000001600	9.14	17.92	27.06	2.14
147	1	1999	M625500000000600	7.47	15.43	22.90	2.10
148	1	1999	L025000010000000	3.71	9.98	13.69	1.97
149	1	1998	F210000004000000	142.84	295.44	438.28	35.35
150	1	1998	M625500000000600	42.47	92.64	135.11	12.68
151	1	1998	M625500000000600	33.80	73.74	107.54	10.09
152	1	1998	F210000004000000	1.76	3.64	5.40	0.44
153	1	1998	S170003007001200	1.44	3.05	4.49	0.39

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

May 11, 2023

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

Re: March 2023 DTA Payment Request Report No. 2023-48

Dear Mr. Villarreal:

We completed a limited scope review of the March 2023 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 March 2023 DTA payment request in the amount of \$163,072.00 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 March 31, 2023. 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 March 2023."
- 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, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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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 March 2023."
- Although DTA fees for 213 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 (207 tax accounts), and small amounts collected (6 tax accounts) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the month of March 2023 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Francisco Saenz, Internal Auditor II, at 318-2511, ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

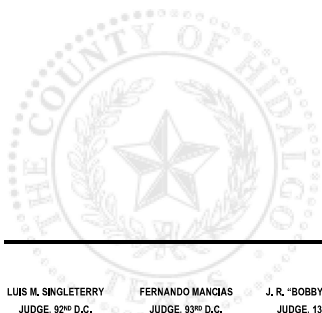
Respectfully,



Linda Fong, CPFO
Interim 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. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2021	S498099000000103	0.59	0.15	0.74	0.12
2	1	2021	E494997000008004	0.55	0.15	0.70	0.11
3	1	2021	H347500196000011	0.24	0.06	0.30	0.05
4	1	2021	F210002000001900	0.24	0.06	0.30	0.05
5	1	2021	C162603000008200	0.08	0.02	0.10	0.02
6	1	2021	L680001000001400	0.08	0.02	0.10	0.02
7	1	2020	M645000008000700	170.70	51.93	222.63	32.01
8	1	2020	M054700000004700	64.21	18.77	82.98	11.85
9	1	2020	R29750000A000100	51.74	14.23	65.97	9.31
10	1	2020	M418098000003600	24.41	6.86	31.27	4.43
11	1	2020	L075500000001500	20.73	6.07	26.80	3.82
12	1	2019	C226300000001600	809.14	262.97	1,072.11	145.65
13	1	2019	M645000008000700	170.70	72.41	243.11	35.08
14	1	2019	T460001000001600	103.54	38.48	142.02	19.88
15	1	2019	P550000002002700	84.54	31.42	115.96	16.23
16	1	2019	L473500004001300	79.69	28.68	108.37	15.06
17	1	2019	K600001005001300	31.00	11.53	42.53	5.95
18	1	2019	M418098000003600	28.89	11.58	40.47	5.76
19	1	2019	M054700000004700	27.64	11.40	39.04	5.60
20	1	2019	W380000259000010	22.36	7.39	29.75	4.06
21	1	2018	E800000136001900	267.14	90.16	357.30	46.08
22	1	2018	M645000008000700	116.16	63.21	179.37	25.96
23	1	2018	S477000000019500	38.47	15.10	53.57	7.10
24	1	2018	B460001002000300	30.00	15.62	45.62	6.52
25	1	2018	P550000002002700	26.71	13.13	39.84	5.61
26	1	2018	B403502000023600	25.29	13.46	38.75	5.58
27	1	2018	V055500000001000	29.40	10.69	40.09	5.21
28	1	2018	S295000000032767	14.46	7.79	22.25	3.21
29	1	2018	B460001002000300	9.94	5.17	15.11	2.16
30	1	2018	R106000000004700	10.05	5.06	15.11	2.14
31	1	2017	B540000001002000	374.75	174.57	549.32	71.39
32	1	2017	E800000136001900	246.07	117.50	363.57	47.61
33	1	2017	V055500000001000	147.99	71.53	219.52	28.86
34	1	2017	S63500000B002800	127.53	59.42	186.95	24.29
35	1	2017	C470000013001100	48.34	23.64	71.98	9.50
36	1	2017	R106000000004700	38.69	24.11	62.80	8.94
37	1	2017	S367500008001600	32.32	17.51	49.83	6.79
38	1	2017	C443502000006000	35.54	15.93	51.47	6.61
39	1	2017	S63500000B002800	25.51	11.88	37.39	4.86
40	1	2017	B460001002000300	9.10	5.83	14.93	2.14
41	1	2017	V380002010001000	9.48	4.36	13.84	1.79
42	1	2016	B540000001002000	249.16	145.96	395.12	51.95
43	1	2016	E170003000003600	186.65	93.02	279.67	34.72
44	1	2016	L110002003008900	169.09	81.58	250.67	30.43
45	1	2016	R116002000003000	69.43	52.83	122.26	17.60
46	1	2016	R225001004001900	59.98	40.04	100.02	13.76
47	1	2016	C162300000000600	52.89	26.98	79.87	10.00
48	1	2016	H47000000P000006	39.20	25.02	64.22	8.70
49	1	2016	P779000000000600	31.59	16.29	47.88	6.02

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

June 14, 2023

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

Re: April 2023 DTA Payment Request Report No. 2023-52

Dear Mr. Villarreal:

We completed a limited scope review of the April 2023 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 April 2023 DTA payment request in the amount of \$120,986.82 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 April 30, 2023. 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 April 2023."
- 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

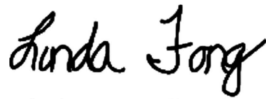
LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH 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 April 2023."
- Although DTA fees for 201 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 (200 tax accounts), and small amounts collected (1 tax account) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the month of April 2023 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Francisco Saenz, Internal Auditor II, at 318-2511, ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

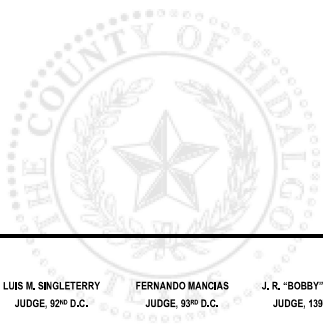
Respectfully,



Linda Fong, CPFO
Interim 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. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2020	R106000000000500	87.01	23.28	110.29	15.40
2	1	2020	M418098000003600	56.91	16.22	73.13	10.33
3	1	2019	R293003000003400	191.49	77.55	269.04	38.20
4	1	2019	T544000000006500	131.53	55.57	187.10	26.83
5	1	2019	P670000001000200	103.59	36.08	139.67	19.27
6	1	2019	E483002000003500	57.68	20.67	78.35	10.82
7	1	2018	E483002000003500	352.04	168.39	520.43	72.34
8	1	2018	O790000000002800	348.35	148.34	496.69	66.88
9	1	2018	O790000000002800	348.35	148.34	496.69	66.88
10	1	2018	R065000010000400	102.68	47.32	150.00	20.64
11	1	2018	P670000001000200	75.43	35.32	110.75	15.39
12	1	2018	B403502000023600	25.23	13.55	38.78	5.57
13	1	2018	R106000000004700	25.25	12.82	38.07	5.38
14	1	2018	R106000000004700	25.17	12.56	37.73	5.36
15	1	2018	T670000002000900	10.66	4.23	14.89	1.97
16	1	2018	O790000000002800	-348.35	-148.34	-496.69	-66.88
17	1	2017	O790000000002800	256.84	140.20	397.04	53.94
18	1	2017	O790000000002800	256.84	140.20	397.04	53.94
19	1	2017	R065000010000400	238.44	138.49	376.93	52.22
20	1	2017	E483002000003500	104.96	62.80	167.76	23.46
21	1	2017	C470000013001100	29.52	14.32	43.84	5.80
22	1	2017	C470000013001100	10.50	5.18	15.68	2.06
23	1	2017	O790000000002800	-256.84	-140.20	-397.04	-53.94
24	1	2016	O790000000002800	319.36	212.64	532.00	72.81
25	1	2016	O790000000002800	319.36	212.64	532.00	72.81
26	1	2016	R065000010000400	240.46	168.53	408.99	56.99
27	1	2016	L110002003008900	168.66	82.08	250.74	30.36
28	1	2016	P717005026002400	145.27	77.24	222.51	28.11
29	1	2016	H47000000P000006	39.11	25.13	64.24	8.68
30	1	2016	R35000000000042	22.59	16.75	39.34	5.59
31	1	2016	E650000006001000	24.48	11.92	36.40	4.41
32	1	2016	P779000000000600	9.46	4.91	14.37	1.80
33	1	2016	O790000000002800	-319.36	-212.64	-532.00	-72.81
34	1	2015	M110000002002500	665.01	385.71	1,050.72	123.69
35	1	2015	S100000064001700	647.50	362.60	1,010.10	114.61
36	1	2015	O790000000002800	321.28	252.47	573.75	79.04
37	1	2015	O790000000002800	321.28	252.47	573.75	79.04
38	1	2015	L335500000002000	300.98	169.55	470.53	53.73
39	1	2015	P717005026002400	211.62	137.90	349.52	44.76
40	1	2015	T625001000001000	143.60	88.08	231.68	28.86
41	1	2015	K240000000017003	67.24	38.33	105.57	12.20
42	1	2015	H425005009005400	52.87	32.03	84.90	10.55
43	1	2015	S073000000001500	39.60	32.03	71.63	9.98
44	1	2015	R095000000001600	16.74	11.01	27.75	3.57
45	1	2015	W230000058000700	0.45	0.26	0.71	0.09
46	1	2015	O790000000002800	-321.28	-252.47	-573.75	-79.04

98	1	2008	H35000005000100	16.74	19.22	35.96	3.11
99	1	2008	M355000056000400	4.91	6.00	10.91	1.08
100	1	2008	S170002021001020	-26.31	-40.76	-67.07	-9.35
101	1	2007	T210000254001406	366.89	694.95	1,061.84	156.30
102	1	2007	C120002000002600	690.25	845.56	1,535.81	127.35
103	1	2007	L319000002001800	48.52	91.91	140.43	20.67
104	1	2007	N855800000000800	47.06	57.97	105.03	8.82
105	1	2007	B158003004001400	27.53	37.68	65.21	6.86
106	1	2007	H365003000001100	22.52	29.02	51.54	4.80
107	1	2007	G99500000A000400	21.28	26.08	47.36	3.93
108	1	2007	S531000002001000	10.75	15.79	26.54	3.16
109	1	2007	S245000000001200	8.80	11.85	20.65	2.10
110	1	2007	M475000002001600	7.16	9.24	16.40	1.53
111	1	2007	S725002008000200	5.87	7.81	13.68	1.36
112	1	2006	T210000254001406	353.53	712.07	1,065.60	156.97
113	1	2006	E660000001001300	25.05	34.01	59.06	5.22
114	1	2006	C730000021000800	9.86	19.11	28.97	4.19
115	1	2006	W380000238000005	15.03	22.02	37.05	3.86
116	1	2005	C120002000002600	626.71	918.13	1,544.84	138.19
117	1	2005	T210000254001406	288.51	615.73	904.24	133.29
118	1	2005	T210000254001406	288.51	615.73	904.24	133.29
119	1	2005	L212101000001800	14.88	21.20	36.08	3.01
120	1	2005	S215000003001200	15.86	21.96	37.82	2.92
121	1	2005	W230000052000300	8.15	13.67	21.82	2.57
122	1	2005	M190001000003200	11.65	16.08	27.73	2.15
123	1	2004	C120002000002600	648.56	1,027.96	1,676.52	154.68
124	1	2004	B355002000004600	202.50	296.67	499.17	37.36
125	1	2004	C005000000004905	44.73	79.26	123.99	14.43
126	1	2004	S477000000006600	14.49	25.74	40.23	4.70
127	1	2004	S477000000006600	14.50	25.74	40.24	4.70
128	1	2004	G040000006000100	9.96	17.79	27.75	3.27
129	1	2004	B496504000032900	7.70	14.18	21.88	2.73
130	1	2004	G805000000013100	8.61	13.29	21.90	1.90
131	1	2004	E540000029000500	2.24	3.36	5.60	0.44
132	1	2003	C120002000002600	685.41	1,168.63	1,854.04	175.81
133	1	2003	T210000254001406	125.91	298.93	424.84	62.70
134	1	2003	B355002000004600	184.09	291.78	475.87	37.28
135	1	2003	C690000001000700	4.98	8.30	13.28	1.19
136	1	2002	C120002000002600	687.27	1,254.26	1,941.53	188.66
137	1	2002	A268000000000500	210.03	419.02	629.05	73.72
138	1	2002	T210000254001406	125.91	314.04	439.95	64.97
139	1	2002	B355002000004600	167.35	285.33	452.68	36.90
140	1	2002	A013803000000500	78.95	128.29	207.24	14.57
141	1	2002	L313001000001700	70.40	116.04	186.44	13.73
142	1	2002	L025000114000012	6.74	16.44	23.18	3.38
143	1	2001	C120002000002600	578.67	1,125.51	1,704.18	169.26
144	1	2001	T210000254001406	110.87	289.84	400.71	59.21
145	1	2001	B355002000004600	145.65	265.80	411.45	34.74
146	1	2001	A268000000000500	61.63	130.35	191.98	22.74
147	1	2000	C120002000002600	570.05	1,177.15	1,747.20	177.00
148	1	2000	T210000254001406	106.85	292.15	399.00	58.98
149	1	2000	T476000000004000	169.71	350.46	520.17	52.70
150	1	2000	B355002000004600	140.38	273.03	413.41	36.01

151	1	2000	V370002004002100	79.08	163.31	242.39	24.56
152	1	2000	L605000000003732	34.93	72.12	107.05	10.84
153	1	2000	M625500000000600	41.24	80.75	121.99	10.83
154	1	2000	M625500000000600	40.74	79.76	120.50	10.69
155	1	2000	S170003007001200	35.64	67.89	103.53	8.50
156	1	2000	L025000010000000	10.69	27.52	38.21	5.46
157	1	2000	M625500000000600	-5.44	-10.50	-15.94	-1.43
158	1	1999	C120002000002600	514.08	1,123.27	1,637.35	168.88
159	1	1999	T476000000004000	196.74	429.87	626.61	64.63
160	1	1999	T210000254001406	60.71	173.28	233.99	34.61
161	1	1999	B355002000004600	125.24	258.62	383.86	34.38
162	1	1999	V370002004002100	71.97	157.25	229.22	23.64
163	1	1999	M625500000000600	37.56	78.05	115.61	10.53
164	1	1999	S165000000001600	9.11	17.98	27.09	2.13
165	1	1999	M625500000000600	-38.72	-79.51	-118.23	-10.86
166	1	1998	C120002000002600	519.57	1,197.61	1,717.18	180.03
167	1	1998	B355002000004600	125.24	273.65	398.89	36.63
168	1	1998	T210000254001406	60.71	180.56	241.27	35.70
169	1	1998	V370002004002100	40.62	93.63	134.25	14.07
170	1	1998	E540000002002100	26.93	58.83	85.76	7.87
171	1	1997	C120002000002600	578.73	1,403.42	1,982.15	210.95
172	1	1997	B355002000004600	127.95	294.93	422.88	39.73
173	1	1997	T210000254001406	64.51	199.60	264.11	39.09
174	1	1996	C120002000002600	499.99	1,272.47	1,772.46	191.25
175	1	1996	B355002000004600	122.84	297.89	420.73	40.35
176	1	1996	T210000254001406	63.25	203.30	266.55	39.47
177	1	1996	A080098000111600	3.17	9.40	12.57	1.78
178	1	1996	C030000195001400	1.05	2.55	3.60	0.35
179	1	1995	C120002000002600	470.59	1,254.12	1,724.71	188.47
180	1	1995	B355002000004600	117.72	299.59	417.31	40.79
181	1	1995	T210000254001406	60.61	202.08	262.69	38.91
182	1	1995	S1440000000005100	5.79	15.47	21.26	2.33
183	1	1994	C120002000002600	254.42	708.56	962.98	106.47
184	1	1994	B355002000004600	109.28	291.23	400.51	39.83
185	1	1994	T210000254001406	56.26	194.33	250.59	37.13
186	1	1994	J570000001001034	12.06	31.40	43.46	4.06
187	1	1994	F345000156001200	7.19	18.37	25.56	2.27
188	1	1993	T210000254001406	55.32	197.73	253.05	37.51
189	1	1993	A080000000114909	10.96	33.63	44.59	5.60
190	1	1992	T210000254001406	54.21	200.26	254.47	37.73
191	1	1991	T210000254001406	51.33	195.78	247.11	36.65
192	1	1990	T210000254001406	28.73	113.03	141.76	21.03
193	1	1988	M215000001002000	6.74	22.53	29.27	3.05
194	1	2014	L136500000010300	27.12	22.59	49.71	6.59
195	1	2010	F225001001001300	72.39	72.51	144.90	13.90
196	1	2009	F225001001001300	72.39	81.20	153.59	15.20
197	1	2009	P640000062000500	74.08	80.63	154.71	14.45
198	1	2007	F225001001001300	72.39	98.57	170.96	17.81
199	1	2007	E540000045000300	4.43	6.57	11.00	1.33
200	1	2006	F225001001001300	72.39	107.26	179.65	19.11
201	1	2005	F225001001001300	72.39	115.94	188.33	20.41
202	1	2004	F225001001001300	72.39	124.63	197.02	21.72
203	1	2003	F225001001001300	57.76	106.37	164.13	18.37
204	1	2002	F225001001001300	61.79	121.21	183.00	20.76
205	1	2001	F225001001001300	34.73	72.29	107.02	12.29
206	1	2000	D600001000022502	72.93	154.00	226.93	24.18
207	1	1989	S170002020000523	1.74	6.08	7.82	0.97

47	1	2014	M110000002002500	604.25	422.97	1,027.22	123.27
48	1	2014	L335500000002000	273.62	186.98	460.60	53.77
49	1	2014	P717005026002400	193.20	149.09	342.29	44.34
50	1	2014	O790000000002800	159.97	144.91	304.88	42.23
51	1	2014	O790000000002800	159.97	144.91	304.88	42.23
52	1	2014	S100000064001700	144.18	98.04	242.22	28.11
53	1	2014	C112000000004800	108.68	78.97	187.65	23.47
54	1	2014	K240000000017003	64.18	44.28	108.46	12.80
55	1	2014	C112000000004800	6.14	4.46	10.60	1.33
56	1	2014	O790000000002800	-159.97	-144.91	-304.88	-42.23
57	1	2013	M110000002002500	604.25	495.48	1,099.73	134.14
58	1	2013	H284000000004600	160.91	128.19	289.10	34.03
59	1	2013	L335500000002000	138.42	111.19	249.61	29.69
60	1	2013	C643000000001400	134.49	99.96	234.45	25.22
61	1	2013	S160000000004815	42.07	35.35	77.42	9.72
62	1	2013	S095000002000400	25.64	23.91	49.55	6.61
63	1	2013	L205000018000100	22.14	16.16	38.30	4.02
64	1	2012	K240000000017003	190.85	177.48	368.33	44.94
65	1	2012	B190005000001500	166.80	159.57	326.37	41.28
66	1	2012	F463002000000800	158.72	136.36	295.08	32.61
67	1	2012	T525002006001200	64.28	53.13	117.41	12.15
68	1	2012	L383000000000300	47.85	44.36	92.21	11.20
69	1	2012	L335500000002000	31.98	29.53	61.51	7.44
70	1	2012	1003800000024811	30.37	27.33	57.70	6.74
71	1	2012	E540000020004900	33.99	28.66	62.65	6.68
72	1	2012	L335500000002000	23.43	21.63	45.06	5.45
73	1	2012	H185000180001000	22.56	19.85	42.41	4.81
74	1	2012	S095000002000400	13.77	14.50	28.27	3.80
75	1	2012	L205000018000100	0.63	0.54	1.17	0.13
76	1	2012	S447004000000900	0.24	0.21	0.45	0.05
77	1	2011	B190005000001500	232.81	250.65	483.46	61.81
78	1	2011	K240000000017003	227.28	238.64	465.92	57.62
79	1	2011	P717005026002400	183.97	208.19	392.16	52.16
80	1	2011	R053000000001300	239.53	217.17	456.70	45.27
81	1	2011	M520000049001100	207.87	199.56	407.43	44.28
82	1	2011	S100000064001700	144.18	149.95	294.13	35.90
83	1	2011	H050000001003000	92.32	90.79	183.11	20.64
84	1	2011	T525002006001200	98.39	93.15	191.54	20.37
85	1	2011	J570098005000205	12.83	15.87	28.70	3.98
86	1	2011	K240000000022301	20.84	18.55	39.39	3.78
87	1	2011	B030000027001500	4.82	4.42	9.24	0.93
88	1	2010	P717005026002400	206.03	257.88	463.91	62.12
89	1	2010	R053000000001300	245.35	251.89	497.24	50.79
90	1	2010	B190005000001500	149.40	178.79	328.19	42.36
91	1	2010	S100000064001700	144.18	167.25	311.43	38.50
92	1	2010	H305000000000400	87.53	97.44	184.97	21.53
93	1	2010	R284805000001000	66.71	86.61	153.32	20.91
94	1	2010	C005000000002302	54.22	65.99	120.21	15.86
95	1	2010	K240000000017003	52.26	61.15	113.41	14.19
96	1	2010	E490000007002400	55.95	56.46	112.41	11.25
97	1	2010	E015700000009800	14.07	17.52	31.59	4.22

98	1	2010	L007001000002800	17.67	18.79	36.46	3.95
99	1	2010	M059002000001100	13.73	14.05	27.78	2.82
100	1	2010	N580000004001500	12.64	12.39	25.03	2.35
101	1	2009	M520000049001100	227.33	272.80	500.13	56.61
102	1	2009	R053000000001300	251.17	288.01	539.18	56.51
103	1	2009	S100000064001700	144.18	184.55	328.73	41.09
104	1	2009	E330000124000300	56.78	79.22	136.00	18.48
105	1	2009	L212101000004700	66.03	77.26	143.29	15.55
106	1	2009	B030000027001500	26.48	30.54	57.02	6.04
107	1	2009	E015700000009800	10.54	14.39	24.93	3.35
108	1	2009	P927901000007000	13.00	15.70	28.70	3.28
109	1	2009	E720000004000100	12.06	13.75	25.81	2.68
110	1	2009	N325000000001400	9.24	11.21	20.45	2.36
111	1	2008	P717005026002400	188.92	281.81	470.73	63.76
112	1	2008	R053000000001300	230.40	291.84	522.24	55.99
113	1	2008	A210000043001800	32.03	36.94	68.97	6.15
114	1	2008	V280000002000300	8.86	10.98	19.84	2.05
115	1	2008	M015000062000401	2.06	2.79	4.85	0.58
116	1	2008	M355000056000400	0.57	0.71	1.28	0.13
117	1	2007	P717005026002400	137.38	221.41	358.79	48.84
118	1	2007	A210000043001800	95.30	121.35	216.65	20.01
119	1	2007	S531000002001000	64.44	94.10	158.54	18.95
120	1	2007	C980000002000817	48.14	61.63	109.77	10.26
121	1	2007	N476502000010200	44.70	54.37	99.07	8.24
122	1	2007	H365003000001100	22.60	28.93	51.53	4.81
123	1	2007	M015000062000401	14.40	21.26	35.66	4.34
124	1	2007	L319000002001800	18.90	23.93	42.83	3.91
125	1	2007	B158003004001400	11.86	16.12	27.98	2.95
126	1	2007	M475000002001600	7.18	9.21	16.39	1.54
127	1	2006	P717005026002400	123.50	213.87	337.37	46.13
128	1	2006	M215000003000300	91.10	118.12	209.22	16.81
129	1	2006	L43500000G000502	54.23	73.02	127.25	11.22
130	1	2006	L319000002001800	40.87	56.68	97.55	9.20
131	1	2006	A180000064001315	31.40	46.90	78.30	8.57
132	1	2006	W380000238000005	20.10	29.28	49.38	5.16
133	1	2006	B158003004001400	7.93	11.74	19.67	2.12
134	1	2006	V382000000016800	10.39	13.49	23.88	1.92
135	1	2005	P717005026002400	121.09	224.21	345.30	47.41
136	1	2005	M715000056000500	94.84	138.14	232.98	20.91
137	1	2005	L635500000000100	28.07	43.69	71.76	7.45
138	1	2005	W2300000052000300	8.18	13.63	21.81	2.58
139	1	2005	M355000056000400	8.81	13.86	22.67	2.40
140	1	2005	R382500008000500	6.23	9.23	15.46	1.44
141	1	2005	R225001003001900	2.31	4.09	6.40	0.83
142	1	2005	R225001003001900	2.31	4.09	6.40	0.83
143	1	2004	M715000056000500	126.85	200.00	326.85	30.25
144	1	2004	A160003000009800	101.49	150.22	251.71	19.79
145	1	2004	M520000049001100	35.42	63.76	99.18	12.01
146	1	2004	S477000000006600	14.65	25.89	40.54	4.75
147	1	2004	G040000006000100	10.00	17.75	27.75	3.28
148	1	2004	B496504000032900	7.72	14.15	21.87	2.74
149	1	2004	B496504000032900	7.72	14.16	21.88	2.73
150	1	2004	W010000044001052	6.80	9.92	16.72	1.26
151	1	2004	S725002008000200	4.36	7.32	11.68	1.24

152	1	2003	M715000056000500	130.98	222.24	353.22	33.60
153	1	2003	A160003000009800	57.36	91.78	149.14	12.22
154	1	2002	L470000000008900	41.17	80.01	121.18	13.65
155	1	2002	A160003000009800	57.36	98.66	156.02	13.25
156	1	2002	H265000006002000	22.05	39.03	61.08	5.59
157	1	2002	L007001000002800	10.81	21.87	32.68	3.97
158	1	2001	M715000056000500	121.29	234.90	356.19	35.48
159	1	2001	L313001000001700	64.41	113.35	177.76	13.72
160	1	2001	A160003000009800	46.14	84.89	131.03	11.49
161	1	2000	M715000056000500	119.33	245.42	364.75	37.05
162	1	2000	S447004000000900	69.67	159.09	228.76	28.74
163	1	2000	S477000000040600	21.14	47.58	68.72	8.41
164	1	2000	A130000001003700	14.73	29.16	43.89	4.06
165	1	2000	L025000010000000	5.35	13.74	19.09	2.74
166	1	2000	M625500000000600	5.44	10.50	15.94	1.43
167	1	2000	A160003000009800	1.18	2.31	3.49	0.32
168	1	1999	M715000056000500	104.32	227.07	331.39	34.27
169	1	1999	G330000004001000	49.92	115.00	164.92	19.25
170	1	1999	M625500000000600	38.72	79.51	118.23	10.86
171	1	1999	M625500000000600	37.46	77.53	114.99	10.51
172	1	1999	S170003007001200	11.28	22.73	34.01	2.89
173	1	1999	S165000000001600	9.12	17.95	27.07	2.14
174	1	1999	M550000097001421	4.68	11.29	15.97	2.03
175	1	1999	M655000006000200	0.63	1.33	1.96	0.19
176	1	1998	M715000056000500	110.05	252.76	362.81	38.13
177	1	1998	M550000097001421	24.12	61.10	85.22	10.93
178	1	1998	E540000002002100	26.98	58.75	85.73	7.90
179	1	1998	E540000002002100	27.00	58.75	85.75	7.89
180	1	1998	B185000000000400	15.77	39.70	55.47	7.03
181	1	1998	A210000043001800	16.29	38.33	54.62	6.06
182	1	1998	S170003007001200	19.27	41.17	60.44	5.29
183	1	1998	M625500000000600	0.71	1.54	2.25	0.21
184	1	1998	M625500000000600	-0.71	-1.56	-2.27	-0.21
185	1	1997	M550000097001421	48.00	127.36	175.36	22.61
186	1	1997	M715000056000500	7.54	18.22	25.76	2.75
187	1	1996	K060002005000300	17.87	43.17	61.04	5.87
188	1	1996	A080098000111600	2.65	7.83	10.48	1.48
189	1	1996	F225001004000400	0.13	0.35	0.48	0.05
190	1	1995	V380002008001500	7.08	20.03	27.11	3.39
191	1	1995	S144000000005100	5.81	15.45	21.26	2.33
192	1	1994	V380002008001500	9.99	29.47	39.46	4.96
193	1	1994	J570000001001034	12.10	31.37	43.47	4.06
194	1	1994	F345000156001200	8.94	22.77	31.71	2.82
195	1	1993	A080000000114909	10.97	33.61	44.58	5.61
196	1	1988	M215000001002000	6.77	22.51	29.28	3.05
197	1	2013	E330000384001100	0.10	0.13	0.23	0.04
198	1	2010	L136500000010300	22.47	29.32	51.79	7.08
199	1	2008	P640000062000500	71.07	85.28	156.35	15.14
200	1	2007	E540000045000300	4.44	6.55	10.99	1.34
201	1	2007	E540000045000300	4.44	6.55	10.99	1.34

50	1	2016	E65000006001000	24.54	11.85	36.39	4.42
51	1	2016	E65000006001000	24.55	11.85	36.40	4.42
52	1	2016	R055002000000900	12.45	7.38	19.83	2.62
53	1	2015	L220001001001700	171.83	102.39	274.22	33.51
54	1	2015	V05550000001000	75.04	54.28	129.32	17.33
55	1	2015	G51510000B001400	57.27	40.09	97.36	12.89
56	1	2015	N855800000001700	59.32	34.35	93.67	11.12
57	1	2015	W230000058000700	8.52	4.95	13.47	1.62
58	1	2015	W230000058000700	8.48	4.98	13.46	1.62
59	1	2014	V05550000001000	185.82	156.71	342.53	46.27
60	1	2014	E330000280000600	231.67	148.85	380.52	41.70
61	1	2014	E470000003001700	60.39	43.23	103.62	12.86
62	1	2014	N855800000001700	60.50	42.30	102.80	12.43
63	1	2014	P310800000002300	48.20	35.60	83.80	10.70
64	1	2014	C112000000004800	21.78	15.73	37.51	4.71
65	1	2013	N480000004000203	24.09	17.88	41.97	4.55
66	1	2013	L335200000001200	11.58	11.83	23.41	3.26
67	1	2013	N861301000009900	17.78	12.91	30.69	3.23
68	1	2013	S160000000003989	10.49	8.56	19.05	2.33
69	1	2013	S160000000004815	5.32	4.45	9.77	1.23
70	1	2012	P44000000001400	317.43	263.21	580.64	60.95
71	1	2012	M355000015001800	301.75	247.19	548.94	56.58
72	1	2012	C64300000001400	100.90	86.69	187.59	20.73
73	1	2012	T525002006001200	108.52	89.25	197.77	20.51
74	1	2012	S160000000004815	34.76	33.22	67.98	8.66
75	1	2012	E540000020004900	34.29	28.77	63.06	6.74
76	1	2012	S740000000000100	28.04	22.50	50.54	5.04
77	1	2012	L205000018000100	22.76	19.27	42.03	4.55
78	1	2012	N861302000005600	6.21	5.39	11.60	1.30
79	1	2011	V080700000004200	686.97	629.15	1,316.12	133.96
80	1	2011	A180000064001508	231.05	248.57	479.62	61.69
81	1	2011	P440000000001400	191.53	181.80	373.33	40.22
82	1	2011	M355000015001800	154.36	144.97	299.33	31.72
83	1	2011	S350000000001405	35.72	37.25	72.97	9.00
84	1	2011	V331600000003400	39.90	35.34	75.24	7.24
85	1	2011	H050000001003000	25.69	25.15	50.84	5.74
86	1	2011	J570098005000205	15.42	19.01	34.43	4.79
87	1	2011	R420000006000500	20.18	20.09	40.27	4.66
88	1	2011	R331000000008300	0.85	0.78	1.63	0.17
89	1	2010	V080700000004200	646.79	669.96	1,316.75	137.77
90	1	2010	R284805000001000	124.73	161.41	286.14	39.10
91	1	2010	H050000001003000	62.84	69.07	131.91	15.18
92	1	2010	P811503000000600	68.58	67.15	135.73	12.86
93	1	2010	B010000012000400	41.13	49.73	90.86	11.97
94	1	2010	B010000012000400	41.13	49.73	90.86	11.97
95	1	2010	B010000012000400	41.13	49.73	90.86	11.97
96	1	2010	H305000000000400	40.43	44.83	85.26	9.94
97	1	2010	B010000012000400	16.45	19.89	36.34	4.79
98	1	2010	T210000236000211	16.78	19.92	36.70	4.71
99	1	2010	R284805000001000	8.90	11.53	20.43	2.79
100	1	2010	N580000004001500	12.67	12.36	25.03	2.35

101	1	2010	M355000152101910	4.23	4.42	8.65	0.92
102	1	2010	B010000012000400	-41.13	-49.73	-90.86	-11.97
103	1	2010	B010000012000400	-41.13	-49.73	-90.86	-11.97
104	1	2009	T210000236000211	139.31	181.92	321.23	41.58
105	1	2009	M686000000001600	176.47	198.67	375.14	38.38
106	1	2009	R284503000001100	69.88	85.90	155.78	18.45
107	1	2009	H305000000000400	46.26	56.86	103.12	12.21
108	1	2009	P927901000007000	26.06	31.34	57.40	6.57
109	1	2009	G130000001000200	21.72	22.93	44.65	4.04
110	1	2008	P440000000001400	400.64	524.51	925.15	105.77
111	1	2008	M686000000001600	179.37	223.46	402.83	42.24
112	1	2008	S436002000000500	119.78	140.86	260.64	24.44
113	1	2008	L685000000001200	53.69	65.81	119.50	12.16
114	1	2008	B48200000C001100	44.89	56.98	101.87	11.04
115	1	2008	J570000008001430	44.22	50.54	94.76	8.36
116	1	2008	H350000005000100	37.87	43.00	80.87	7.04
117	1	2008	H4700000L000108	34.20	40.10	74.30	6.93
118	1	2008	J570000008001430	7.13	8.14	15.27	1.35
119	1	2008	B505000015001100	6.50	7.54	14.04	1.28
120	1	2007	M686000000001600	176.56	241.16	417.72	44.76
121	1	2007	W140000007000300	111.90	142.02	253.92	23.50
122	1	2007	C980000002000817	63.71	81.28	144.99	13.57
123	1	2007	L077900000000400	57.51	73.17	130.68	12.16
124	1	2007	S531000002001000	25.06	36.49	61.55	7.37
125	1	2007	G99500000A000400	32.10	38.91	71.01	5.92
126	1	2007	M015000062000401	15.84	23.32	39.16	4.78
127	1	2007	M475000002001600	4.31	5.52	9.83	0.93
128	1	2007	M475000002001600	2.87	3.68	6.55	0.62
129	1	2006	L319000002001800	115.33	159.45	274.78	25.95
130	1	2006	L685000000001200	46.45	68.08	114.53	12.19
131	1	2006	C980000002000817	46.45	64.83	111.28	10.73
132	1	2006	E540000027001000	31.25	46.22	77.47	8.39
133	1	2006	B158003004001400	17.95	26.50	44.45	4.79
134	1	2006	S395000002000401	4.10	5.28	9.38	0.75
135	1	2006	L685000000001200	0.82	1.20	2.02	0.22
136	1	2005	P717005026002400	38.09	70.37	108.46	14.91
137	1	2005	S395000002000401	23.77	33.58	57.35	4.81
138	1	2005	W230000052000300	8.19	13.62	21.81	2.58
139	1	2005	L007001000007300	0.06	0.11	0.17	0.02
140	1	2004	S531000002001000	35.20	63.91	99.11	12.25
141	1	2004	G805000000013100	50.03	76.67	126.70	11.03
142	1	2004	L007001000007300	29.00	51.40	80.40	9.53
143	1	2004	S477000000006600	14.68	25.86	40.54	4.75
144	1	2004	G160000000003100	15.02	23.41	38.43	3.49
145	1	2004	G040000006000100	10.00	17.74	27.74	3.29
146	1	2004	B496504000032900	7.75	14.13	21.88	2.74
147	1	2004	S725002008000200	8.72	14.62	23.34	2.49
148	1	2004	A41300000001700	8.37	13.68	22.05	2.23
149	1	2004	W010000044001052	6.82	9.90	16.72	1.26
150	1	2004	C180000010000900	5.61	8.15	13.76	1.04
151	1	2004	S430000001001400	1.70	2.93	4.63	0.51
152	1	2003	W010000049001055	99.60	174.54	274.14	28.23
153	1	2003	G805000000013100	54.02	89.27	143.29	12.88
154	1	2003	W010000030000728	16.67	31.83	48.50	5.90

155	1	2003	C690000001000700	6.26	10.34	16.60	1.49
156	1	2002	M575000000001600	285.91	601.13	887.04	115.79
157	1	2002	S215000007000200	126.52	231.44	357.96	35.68
158	1	2002	G805000000001800	91.16	150.65	241.81	18.46
159	1	2002	A530000002000300	23.39	41.46	64.85	6.00
160	1	2001	M575000000001600	295.74	657.24	952.98	125.08
161	1	2001	D396098000002500	268.67	455.62	724.29	49.97
162	1	2001	M215000005001800	83.48	158.00	241.48	22.92
163	1	2001	A530000002000300	47.73	90.33	138.06	13.10
164	1	2001	P200000019001800	34.66	71.72	106.38	12.27
165	1	2001	M575000000001600	21.43	47.64	69.07	9.07
166	1	2001	M575000000001600	21.12	46.96	68.08	8.94
167	1	2001	L313001000001700	20.77	36.46	57.23	4.42
168	1	2001	S215000007000200	11.55	22.51	34.06	3.47
169	1	2001	M575000000001600	2.68	5.97	8.65	1.14
170	1	2000	M575000000001600	177.53	415.87	593.40	78.29
171	1	2000	M575000000001600	155.22	363.61	518.83	68.45
172	1	2000	M215000005001800	125.74	253.05	378.79	36.78
173	1	2000	T543501000000800	30.32	58.60	88.92	7.78
174	1	2000	S477000000040600	10.80	24.25	35.05	4.29
175	1	2000	R365000000004400	6.26	13.95	20.21	2.44
176	1	2000	R365000000004400	6.26	13.95	20.21	2.44
177	1	2000	L025000010000000	4.35	11.15	15.50	2.23
178	1	2000	E810000007003005	4.94	10.40	15.34	1.65
179	1	2000	R365000000004400	-6.26	-13.95	-20.21	-2.44
180	1	1999	M575000000001600	231.01	568.85	799.86	106.03
181	1	1999	G330000004001000	74.97	172.38	247.35	28.90
182	1	1999	M575000000001600	57.06	140.51	197.57	26.19
183	1	1999	M625500000000600	37.54	77.42	114.96	10.53
184	1	1999	T543501000000800	20.36	41.79	62.15	5.59
185	1	1999	M215000005001800	14.83	31.62	46.45	4.61
186	1	1999	S477000000040600	9.55	22.59	32.14	3.97
187	1	1999	L025000010000000	5.90	15.84	21.74	3.12
188	1	1999	M655000006000200	9.16	19.21	28.37	2.70
189	1	1999	G330000004001000	-74.97	-172.38	-247.35	-28.90
190	1	1998	M575000000001600	291.67	753.23	1,044.90	139.13
191	1	1998	S170003007001200	59.95	127.86	187.81	16.46
192	1	1998	V370002004002100	30.46	69.86	100.32	10.56
193	1	1997	M575000000001600	303.96	821.45	1,125.41	150.46
194	1	1997	F210000004000000	146.94	322.16	469.10	39.01
195	1	1996	M575000000001600	331.83	936.60	1,268.43	170.23
196	1	1996	F210000004000000	134.38	310.75	445.13	38.10
197	1	1996	V370002004002100	68.02	172.26	240.28	26.02
198	1	1996	K060002005000300	11.92	28.76	40.68	3.92
199	1	1996	K060002005000300	11.85	28.58	40.43	3.89
200	1	1996	A080098000111600	2.65	7.83	10.48	1.48
201	1	1995	F210000004000000	128.78	313.25	442.03	38.83
202	1	1995	S144000000005100	5.81	15.44	21.25	2.34
203	1	1994	F210000004000000	119.54	305.13	424.67	38.19
204	1	1994	J570000001001034	12.10	31.35	43.45	4.07
205	1	1994	F345000156001200	8.96	22.76	31.72	2.82
206	1	1993	F210000004000000	101.94	272.44	374.38	34.41
207	1	1992	F210000004000000	99.88	278.92	378.80	35.51
208	1	1991	F210000004000000	60.66	176.67	237.33	22.66

209	1	2017	S460000006000100	119.96	50.29	170.25	21.41
210	1	2016	S460000006000100	112.08	60.43	172.51	22.02
211	1	2010	L136500000010300	22.52	29.27	51.79	7.09
212	1	2008	P640000062000500	71.19	85.13	156.32	15.16
213	1	2007	E540000045000300	4.45	6.54	10.99	1.34

154	1	1997	R055004000000800	144.87	355.17	500.04	55.63
155	1	1997	S170003007001200	29.84	67.09	96.93	8.73
156	1	1996	R055004000000800	67.60	173.84	241.44	27.18
157	1	1996	A265502000002900	87.21	199.56	286.77	23.94
158	1	1996	B158504000012900	13.75	38.08	51.83	6.75
159	1	1996	A080098000111600	2.66	7.82	10.48	1.48
160	1	1995	A265502000002900	42.13	101.46	143.59	12.32
161	1	1995	S144000000005100	5.82	15.43	21.25	2.34
162	1	1994	J570000001001034	12.13	31.33	43.46	4.07
163	1	1994	F345000156001200	8.96	22.76	31.72	2.82
164	1	1993	A080000000114909	11.00	33.58	44.58	5.62
165	1	1991	F210000004000000	33.92	98.65	132.57	12.67
166	1	1990	F210000004000000	92.96	281.51	374.47	36.39
167	1	1989	F210000004000000	113.02	355.82	468.84	46.28
168	1	1988	F210000004000000	55.84	182.49	238.33	23.87
169	1	1988	F210000004000000	54.14	176.95	231.09	23.15
170	1	1988	M215000001002000	6.78	22.49	29.27	3.06
171	1	1987	F210000004000000	84.51	286.34	370.85	37.65
172	1	1986	F210000004000000	61.70	216.46	278.16	28.60
173	1	1985	F210000004000000	53.85	195.39	249.24	25.93
174	1	1984	F210000004000000	45.67	171.19	216.86	22.81
175	1	1983	F210000004000000	26.77	103.56	130.33	13.85
176	12	1997	R055004000000800	7.02	17.21	24.23	2.70
177	12	1996	R055004000000800	3.63	9.34	12.97	1.46
178	1	2013	E540000045000300	21.39	16.01	37.40	4.14
179	1	2013	E540000045000300	5.75	4.30	10.05	1.11
180	1	2011	E540000045000300	48.88	48.11	96.99	11.22
181	1	2010	L136500000010300	22.55	29.22	51.77	7.10
182	1	2010	E540000045000300	4.96	5.51	10.47	1.23
183	1	2008	P640000062000500	72.09	85.90	157.99	15.35
184	1	2006	E540000045000300	16.53	26.26	42.79	5.28
185	1	2006	E540000045000300	3.81	6.07	9.88	1.22
186	1	2000	D600001000022502	146.55	307.05	453.60	48.59
187	1	2021	C060000004000300	1.04	0.27	1.31	0.17
188	1	2021	J183503000001900	0.82	0.21	1.03	0.16
189	1	2021	L055500000000600	0.08	0.02	0.10	0.01
190	1	2019	T210099267001207	0.07	0.03	0.10	0.01

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

August 2, 2023

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

Re: May 2023 and June 2023 DTA Payment Request Report No. 2023-53 and 2023-54

Dear Mr. Villarreal:

We completed a limited scope review of the May 2023 and June 2023 payment requests 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 requests were accurate and properly authorized.

The results of the review revealed that the payment requests were generally accurate and properly authorized. We will proceed to process the May and June 2023 DTA payment requests in the amounts of \$92,461.47 and \$120,475.01, respectively, 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 requests prepared by your office for the months ended May 31, 2023 and June 30, 2023. 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 requests were 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 months of May and June 2023."
- 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, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 448 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 478 TH D.C.
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Based on the review, the following was noted:

- The payment requests were 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 months of May and of June 2023."
- Although DTA fees for 168 tax accounts in the month of May 2023 were not collected at the 15% rate specified in the contract; we concluded that the differences in rates were attributed to tax deferrals (160 tax accounts), and small amounts collected (8 tax accounts) (see Exhibit A).
- Although DTA fees for 207 tax accounts in the month of June 2023 were not collected at the 15% rate specified in the contract; we concluded that the differences in rates were attributed to tax deferrals (201 tax accounts), and small amounts collected (6 tax accounts) (see Exhibit B).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the months of May and June 2023 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Francisco Saenz, Internal Auditor II, at 318-2511, ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, 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
Interim County Auditor

Enclosure: Exhibits A & B

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. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 448TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 478TH D.C.

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2021	E230000001002000	0.70	0.20	0.90	0.14
2	1	2021	P001500002000400	0.49	0.14	0.63	0.10
3	1	2021	C535401004000100	0.49	0.14	0.63	0.10
4	1	2021	B503002000008300	0.28	0.08	0.36	0.06
5	1	2021	W380000304000003	0.18	0.05	0.23	0.04
6	1	2021	W740000012000900	0.08	0.02	0.10	0.01
7	1	2020	L117000000004700	929.15	312.04	1,241.19	179.79
8	1	2020	M418098000003600	56.76	16.41	73.17	10.30
9	1	2020	T307599000001088	0.07	0.03	0.10	0.02
10	1	2019	K600001005001300	14.04	5.33	19.37	2.70
11	1	2019	H015299000000115	0.59	0.31	0.90	0.14
12	1	2018	F393095000002201	100.25	40.77	141.02	18.65
13	1	2018	L319000005001700	37.26	20.81	58.07	8.38
14	1	2018	C470000013001100	43.19	16.31	59.50	7.71
15	1	2018	T745097000006105	28.15	15.88	44.03	6.38
16	1	2018	B403502000023600	20.14	10.89	31.03	4.44
17	1	2018	S295000000032767	14.40	7.87	22.27	3.19
18	1	2018	B403502000023600	-25.23	-13.55	-38.78	-5.57
19	1	2017	S480000000001301	517.99	230.51	748.50	94.79
20	1	2017	P811000000003900	249.39	108.07	357.46	44.89
21	1	2017	F393095000002201	104.03	54.79	158.82	21.22
22	1	2017	S477000000001300	70.50	30.67	101.17	12.80
23	1	2017	R055002000000900	48.26	23.17	71.43	9.27
24	1	2017	L590000004000400	34.75	16.07	50.82	6.52
25	1	2017	S606500000000300	29.46	13.81	43.27	5.57
26	1	2017	C470000013001100	2.28	1.14	3.42	0.45
27	1	2016	F393095000002201	109.68	70.93	180.61	24.35
28	1	2016	R055002000000900	109.22	65.53	174.75	22.94
29	1	2016	S606500000000300	79.20	46.60	125.80	16.40
30	1	2016	A370000009000900	48.31	27.02	75.33	9.64
31	1	2016	E650000006001000	24.43	11.99	36.42	4.40
32	1	2016	R350000000000042	16.10	12.00	28.10	3.98
33	1	2016	R225001004001900	14.93	10.09	25.02	3.43
34	1	2016	P779000000000600	15.72	8.24	23.96	2.99
35	1	2015	W731000000001300	745.22	425.39	1,170.61	134.14
36	1	2015	E405002013002100	2.91	1.83	4.74	0.60
37	1	2014	E405002013002100	143.69	107.29	250.98	31.90
38	1	2014	C070000101001320	171.84	110.70	282.54	30.42
39	1	2014	M184001000000800	28.05	19.74	47.79	5.72
40	1	2013	W731000000001300	288.04	233.55	521.59	62.22
41	1	2013	E405002013002100	145.28	125.91	271.19	34.87
42	1	2013	S095000002000400	39.93	37.40	77.33	10.30
43	1	2013	S160000000004815	41.99	35.45	77.44	9.70
44	1	2013	N861301000009900	23.61	17.33	40.94	4.29
45	1	2013	L205000018000100	22.73	16.70	39.43	4.13
46	1	2013	N480000004000203	19.18	14.40	33.58	3.63

47	1	2012	V056800000013200	441.42	363.80	805.22	82.10
48	1	2012	E405002013002100	144.63	142.70	287.33	37.31
49	1	2012	S683000000010200	41.25	33.73	74.98	7.55
50	1	2012	E540000020004900	33.93	28.75	62.68	6.66
51	1	2011	P440000000001400	209.11	200.21	409.32	43.91
52	1	2011	H050000001003000	66.20	65.38	131.58	14.80
53	1	2011	C676000000038100	19.84	17.67	37.51	3.57
54	1	2011	S350000000001405	2.51	2.64	5.15	0.63
55	1	2011	B030000027001500	2.22	2.03	4.25	0.43
56	1	2010	P440000000001400	400.64	431.69	832.33	91.35
57	1	2010	T210000236000211	163.74	195.54	359.28	45.93
58	1	2010	R284805000001000	124.31	161.93	286.24	38.97
59	1	2010	H305000000000400	87.34	97.59	184.93	21.48
60	1	2010	L212101000004700	95.04	99.79	194.83	20.67
61	1	2010	V305200000007000	87.55	86.16	173.71	16.28
62	1	2010	C676000000038100	17.09	17.28	34.37	3.38
63	1	2010	M059002000001100	13.71	14.07	27.78	2.82
64	1	2010	R284805000001000	8.88	11.58	20.46	2.79
65	1	2010	N580000004001500	12.61	12.41	25.02	2.35
66	1	2009	P440000000001400	159.97	191.57	351.54	39.35
67	1	2009	R284505000003000	62.22	65.59	127.81	11.29
68	1	2009	E72000004000100	15.43	17.66	33.09	3.43
69	1	2009	O810002000000700	3.72	4.25	7.97	0.82
70	1	2008	O810002000000700	120.86	152.38	273.24	28.83
71	1	2008	M355000131000900	110.01	134.67	244.68	24.43
72	1	2008	L045000122000015	98.45	125.10	223.55	23.92
73	1	2008	T0940030000007300	37.82	44.16	81.98	7.43
74	1	2008	M015000062000401	16.36	22.26	38.62	4.64
75	1	2008	R284505000003000	17.66	20.74	38.40	3.52
76	1	2008	L672500000014000	13.30	17.53	30.83	3.51
77	1	2008	H350000005000100	16.77	19.18	35.95	3.12
78	1	2008	S245000000001200	8.07	9.85	17.92	1.78
79	1	2008	M355000131000900	-110.01	-134.67	-244.68	-24.43
80	1	2007	S531000002001000	64.29	94.13	158.42	18.90
81	1	2007	L319000002001800	65.02	82.62	147.64	13.46
82	1	2007	A413500000000100	38.37	46.84	85.21	7.08
83	1	2007	B158003004001400	27.58	37.62	65.20	6.87
84	1	2007	G99500000A000400	21.32	26.03	47.35	3.93
85	1	2007	L108502000002700	8.43	11.16	19.59	1.95
86	1	2007	M475000002001600	7.16	9.23	16.39	1.54
87	1	2007	S531000002001000	0.07	0.11	0.18	0.02
88	1	2006	I200001000019700	138.71	180.44	319.15	25.59
89	1	2006	O810002000000700	34.88	52.35	87.23	9.57
90	1	2006	C730000021000800	9.87	19.10	28.97	4.19
91	1	2005	V070000013000800	275.61	376.90	652.51	49.20
92	1	2005	T138000001002700	122.90	170.13	293.03	22.86
93	1	2005	L045000024000002	32.15	50.82	82.97	8.82
94	1	2005	W230000052000300	8.17	13.65	21.82	2.57
95	1	2005	S215000003001200	5.52	7.63	13.15	1.02
96	1	2005	R225001003001900	2.31	4.09	6.40	0.83
97	1	2004	V070000013000800	268.93	400.04	668.97	52.85

98	1	2004	C005000000004905	42.68	75.43	118.11	13.76
99	1	2004	S477000000006600	14.55	25.78	40.33	4.72
100	1	2004	G040000006000100	9.98	17.77	27.75	3.28
101	1	2004	B496504000032900	7.71	14.17	21.88	2.73
102	1	2004	W010000044001052	6.80	9.93	16.73	1.25
103	1	2004	S725002008000200	4.18	7.03	11.21	1.19
104	1	2003	V070000013000800	242.37	389.61	631.98	51.99
105	1	2003	G570000001002800	7.13	13.97	21.10	2.66
106	1	2003	C690000001000700	7.48	12.44	19.92	1.79
107	1	2003	A180000064001504	-25.41	-44.69	-70.10	-7.32
108	1	2002	V070000013000800	244.93	423.12	668.05	56.95
109	1	2002	L470000000008900	30.85	60.06	90.91	10.22
110	1	2002	L313001000001700	35.15	57.81	92.96	6.86
111	1	2001	V070000013000800	202.78	374.63	577.41	50.80
112	1	2001	L622000000009800	69.15	125.92	195.07	16.49
113	1	2001	L222500000001500	49.16	89.03	138.19	11.51
114	1	2001	G570000001002900	20.75	42.35	63.10	7.00
115	1	2001	L313001000001700	32.24	56.87	89.11	6.87
116	1	2001	P200000019001800	16.68	34.65	51.33	5.90
117	1	2001	M655000006000200	8.03	14.99	23.02	2.08
118	1	2000	S330000000007000	210.42	391.56	601.98	46.40
119	1	2000	L622000000009800	89.47	173.64	263.11	22.95
120	1	2000	V070000013000800	60.76	119.55	180.31	16.31
121	1	2000	P200000019001800	38.44	84.48	122.92	14.30
122	1	2000	P370000003000800	52.92	98.99	151.91	11.90
123	1	2000	M625500000000600	41.36	80.63	121.99	10.86
124	1	2000	S477000000040600	21.12	47.61	68.73	8.40
125	1	2000	S477000000040600	21.12	47.62	68.74	8.40
126	1	2000	A130000001003700	14.70	29.19	43.89	4.06
127	1	2000	S170003007001200	5.24	9.95	15.19	1.25
128	1	2000	G570000001002900	0.61	1.33	1.94	0.22
129	1	1999	L622000000009800	79.82	164.50	244.32	21.91
130	1	1999	S170003007001200	26.93	54.42	81.35	6.91
131	1	1999	T47600000004000	10.03	21.86	31.89	3.29
132	1	1999	R385000003000700	5.73	12.96	18.69	2.09
133	1	1998	T47600000004000	209.24	481.42	690.66	72.50
134	1	1998	L622000000009800	79.82	174.08	253.90	23.35
135	1	1998	B264000001000500	5.88	15.00	20.88	2.69
136	1	1997	T47600000004000	91.88	222.42	314.30	33.49
137	1	1997	L622000000009800	81.35	187.17	268.52	25.26
138	1	1996	L622000000009800	69.67	168.66	238.33	22.89
139	1	1996	P28000000002400	25.55	70.04	95.59	12.07
140	1	1996	F225001004000400	4.13	10.33	14.46	1.50
141	1	1996	A080098000111600	2.65	7.83	10.48	1.48
142	1	1995	L622000000009800	62.08	157.73	219.81	21.51
143	1	1994	L622000000009800	57.63	153.34	210.97	21.01
144	1	1994	J570000001001034	12.08	31.38	43.46	4.06
145	1	1994	F345000156001200	8.94	22.77	31.71	2.81
146	1	1993	L622000000009800	50.64	140.81	191.45	19.37
147	1	1992	L622000000009800	49.62	143.95	193.57	19.87
148	1	1991	L622000000009800	46.49	140.44	186.93	19.46
149	1	1988	M215000001002000	6.75	22.52	29.27	3.05
150	12	1999	L622000000009800	1.95	4.02	5.97	0.54

151	12	1998	L622000000009800	3.48	7.59	11.07	1.02
152	12	1997	L622000000009800	3.94	9.07	13.01	1.22
153	12	1996	L622000000009800	3.74	9.05	12.79	1.23
154	12	1995	L622000000009800	3.48	8.84	12.32	1.21
155	12	1994	L622000000009800	2.78	7.40	10.18	1.01
156	12	1993	L622000000009800	2.49	6.92	9.41	0.95
157	12	1992	L622000000009800	2.49	7.22	9.71	1.00
158	12	1991	L622000000009800	1.23	3.71	4.94	0.51
159	1	1995	W010000035000206	32.87	88.78	121.65	13.76
160	1	1989	W010000035000206	15.38	52.61	67.99	8.10
161	1	1988	W010000035000206	0.26	0.92	1.18	0.14
162	12	1995	W010000035000206	1.84	4.97	6.81	0.77
163	12	1989	W010000035000206	0.83	2.83	3.66	0.44
164	1	2014	L136500000010300	17.89	14.80	32.69	4.34
165	1	2010	L136500000010300	7.69	10.06	17.75	2.42
166	1	2009	P640000062000500	0.88	0.96	1.84	0.17
167	1	2008	P640000062000500	70.86	85.32	156.18	15.09
168	1	1989	S170002020000523	10.50	36.62	47.12	5.85

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2021	A174000000000300	41.10	10.48	51.58	7.58
2	1	2021	L611500000008800	0.45	0.12	0.57	0.08
3	1	2021	S295000000048126	0.08	0.02	0.10	0.01
4	1	2020	L181000000027700	234.18	70.06	304.24	42.86
5	1	2020	W380000290000003	101.58	33.95	135.53	19.50
6	1	2020	M418098000003600	56.59	16.60	73.19	10.27
7	1	2020	M550000095001204	47.37	16.38	63.75	9.24
8	1	2020	R106000000004700	47.03	12.98	60.01	8.33
9	1	2020	L075500000001500	20.56	6.27	26.83	3.79
10	1	2020	W010000038000103	0.41	0.17	0.58	0.07
11	1	2019	L181000000027700	234.18	98.16	332.34	47.07
12	1	2019	A180000029001509	212.67	77.98	290.65	39.88
13	1	2019	I800000000000600	110.07	39.08	149.15	20.31
14	1	2019	P550000002002700	65.68	25.23	90.91	12.61
15	1	2019	P550000002002700	65.69	25.23	90.92	12.61
16	1	2019	A703001000002300	36.34	12.26	48.60	6.54
17	1	2019	H250000016000200	0.54	0.29	0.83	0.13
18	1	2019	W010000038000103	0.46	0.25	0.71	0.09
19	1	2019	L633000000001900	0.11	0.05	0.16	0.03
20	1	2018	H47000000P000006	368.19	151.27	519.46	68.48
21	1	2018	L181000000027700	214.29	115.53	329.82	46.93
22	1	2018	R095500000000100	161.70	92.84	254.54	36.87
23	1	2018	W010000016000403	100.35	38.89	139.24	18.06
24	1	2018	T745097000006105	28.09	15.96	44.05	6.36
25	1	2018	B403502000023600	25.12	13.69	38.81	5.54
26	1	2018	C470000013001100	27.54	10.50	38.04	4.91
27	1	2018	U050001002010200	7.26	3.74	11.00	1.55
28	1	2017	H47000000P000006	358.66	190.39	549.05	73.17
29	1	2017	W010000016000403	103.23	52.39	155.62	20.44
30	1	2017	R055002000000900	82.42	39.90	122.32	15.82
31	1	2017	C170000000000100	48.97	35.14	84.11	12.34
32	1	2017	B315001003002900	15.04	10.44	25.48	3.70
33	1	2017	A210000070000600	10.63	4.64	15.27	1.91
34	1	2017	V380002010001000	7.53	3.55	11.08	1.42
35	1	2017	R060000000001700	3.81	2.00	5.81	0.77
36	1	2016	L110002003008900	251.72	124.61	376.33	45.31
37	1	2016	G590001003002900	55.19	44.92	100.11	14.57
38	1	2016	H47000000P000006	58.10	37.82	95.92	12.90
39	1	2016	R350000000000042	16.06	12.05	28.11	3.98
40	1	2016	B505197000004300	2.15	1.35	3.50	0.47
41	1	2015	T474501000000300	153.24	130.64	283.88	40.00
42	1	2015	T625001000001000	154.66	96.14	250.80	31.09
43	1	2015	S073000000001500	39.41	32.24	71.65	9.94
44	1	2014	B395002000001800	69.09	49.86	118.95	14.51
45	1	2014	P310800000002300	38.32	28.77	67.09	8.51
46	1	2014	B158504000007600	1.06	0.72	1.78	0.20

47	1	2013	P03350000001700	227.92	171.31	399.23	42.74
48	1	2013	S095000002000400	39.85	37.49	77.34	10.28
49	1	2013	R329500002002300	51.12	39.43	90.55	10.04
50	1	2013	S160000000004815	41.91	35.55	77.46	9.68
51	1	2013	M355000173000300	45.21	29.76	74.97	7.66
52	1	2013	C680001000000500	34.48	26.04	60.52	6.52
53	1	2013	L205000018000100	22.71	16.75	39.46	4.12
54	1	2013	N480000004000203	19.14	14.46	33.60	3.62
55	1	2013	N861301000009900	16.49	12.18	28.67	2.99
56	1	2013	B158504000007600	0.81	0.65	1.46	0.17
57	1	2012	H150001002010000	270.60	220.54	491.14	48.71
58	1	2012	L212101000004700	189.90	155.40	345.30	34.47
59	1	2012	F675006000000800	48.42	40.55	88.97	9.30
60	1	2012	E540000020004900	39.50	33.62	73.12	7.76
61	1	2011	T210000254001406	455.21	643.75	1,098.96	161.15
62	1	2011	H150001002010000	283.17	264.76	547.93	56.07
63	1	2011	W010000045000300	230.48	227.03	457.51	50.82
64	1	2011	A180000032000314	231.23	213.11	444.34	44.40
65	1	2011	L045000024000003	236.30	214.65	450.95	43.95
66	1	2011	F720000102001400	222.39	201.27	423.66	41.03
67	1	2011	D320000088000031	115.41	114.84	230.25	25.97
68	1	2011	L212101000004700	102.42	96.10	198.52	20.43
69	1	2011	V280000002000300	102.79	91.32	194.11	18.20
70	1	2011	L212101000004700	90.01	84.45	174.46	17.96
71	1	2011	J570098005000205	15.34	19.11	34.45	4.77
72	1	2011	L045000024000003	6.48	5.89	12.37	1.21
73	1	2010	T210000254001406	543.71	834.14	1,377.85	202.26
74	1	2010	H305000000000400	87.17	97.77	184.94	21.44
75	1	2010	R284805000001000	31.21	40.78	71.99	9.78
76	1	2010	A180000032000314	44.09	45.93	90.02	9.26
77	1	2010	L212101000004700	42.03	44.49	86.52	9.14
78	1	2010	S118000000000500	48.11	47.70	95.81	9.02
79	1	2010	E015700000009800	25.06	31.44	56.50	7.52
80	1	2010	L605000000005320	18.86	21.53	40.39	4.81
81	1	2010	S460000001001600	17.81	17.43	35.24	3.23
82	1	2010	M059002000001100	13.67	14.11	27.78	2.81
83	1	2010	C904595000004900	14.97	14.80	29.77	2.79
84	1	2010	N580000004001500	12.58	12.44	25.02	2.34
85	1	2010	D460000120000100	8.47	9.70	18.17	2.17
86	1	2009	T210000254001406	543.71	899.39	1,443.10	212.05
87	1	2009	O780002001000500	366.50	395.22	761.72	69.82
88	1	2009	L245000000004100	87.92	107.63	195.55	22.68
89	1	2009	O270003000003100	32.74	34.87	67.61	6.04
90	1	2009	E720000004000100	15.40	17.69	33.09	3.42
91	1	2009	P927901000007000	12.95	15.76	28.71	3.27
92	1	2009	S460000001001600	14.20	15.61	29.81	2.83
93	1	2008	T210000254001406	364.97	647.52	1,012.49	148.91
94	1	2008	W010000016000403	40.02	63.53	103.55	14.41
95	1	2008	C175000000002700	23.29	42.42	65.71	9.78
96	1	2008	B190016000000200	28.13	34.39	62.52	6.17
97	1	2008	M015000062000401	13.07	17.84	30.91	3.70

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 1, 2023

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

Re: July 2023 DTA Payment Request Report No. 2023-55

Dear Mr. Villarreal:

We completed a limited scope review of the July 2023 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 2023 DTA payment request in the amount of \$298,932.80 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, 2023. 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 2023."
- 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 MANGIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C. OVERSEER

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 2023."
- Although DTA fees for 180 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 (176 tax accounts), small collection amount (4 tax accounts), (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the month of July 2023 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, please contact Francisco Saenz, Internal Auditor II, at 318-2511, ext. 4667, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, 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
Interim 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. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2021	R094101000001600	46.79	11.03	57.82	8.35
2	1	2021	V056401000004600	0.13	0.04	0.17	0.02
3	1	2020	W740000013000300	119.12	38.91	158.03	22.51
4	1	2020	M418098000003600	56.43	16.79	73.22	10.24
5	1	2020	M550000095001204	47.25	16.53	63.78	9.21
6	1	2020	C443501000000500	38.89	10.73	49.62	6.88
7	1	2019	C443501000000500	123.86	49.03	172.89	24.15
8	1	2019	C035000000001801	28.88	12.56	41.44	5.89
9	1	2019	D680000025001200	0.24	0.13	0.37	0.05
10	1	2018	G596003000004000	446.86	169.80	616.66	79.09
11	1	2018	E010001003000500	219.13	97.33	316.46	42.40
12	1	2018	W740000013000300	119.12	67.50	186.62	26.80
13	1	2018	P537000000001700	144.34	56.53	200.87	25.98
14	1	2018	C980000004000610	51.40	19.62	71.02	9.17
15	1	2018	T745097000006105	26.92	15.41	42.33	6.10
16	1	2018	B403502000023600	25.05	13.76	38.81	5.53
17	1	2018	R106000000004700	25.29	13.15	38.44	5.39
18	1	2018	C470000013001100	15.89	6.13	22.02	2.84
19	1	2018	U050001002010200	5.79	3.02	8.81	1.23
20	1	2018	M355000104001300	5.47	2.92	8.39	1.19
21	1	2018	M355000104001300	5.45	2.94	8.39	1.19
22	1	2017	G596003000004000	406.23	203.12	609.35	79.22
23	1	2017	E010001003000500	300.06	169.28	469.34	63.46
24	1	2017	W740000013000300	119.12	81.79	200.91	28.95
25	1	2016	L110002003008900	167.40	83.57	250.97	30.14
26	1	2016	E010001003000500	125.80	86.06	211.86	28.87
27	1	2016	V056800000010600	141.86	82.16	224.02	28.73
28	1	2016	D680000020001500	85.90	69.80	155.70	22.55
29	1	2016	P779000000000600	94.49	50.31	144.80	18.00
30	1	2016	O757000000000100	23.64	12.87	36.51	4.57
31	1	2016	E650000006001000	24.30	12.14	36.44	4.38
32	1	2016	R350000000000042	16.03	12.09	28.12	3.97
33	1	2016	O150000003001900	8.83	4.65	13.48	1.67
34	1	2015	L583003000016200	187.26	107.20	294.46	33.14
35	1	2015	V380002003002600	99.38	59.13	158.51	18.78
36	1	2015	C161802000001500	28.66	18.36	47.02	5.89
37	1	2015	C470000006000301	29.09	16.75	45.84	5.19
38	1	2015	H383000000000700	0.01	0.02	0.03	0.01
39	1	2014	V380002003002600	31.91	22.82	54.73	6.61
40	1	2014	L020000000000900	10.70	11.07	21.77	3.15
41	1	2013	V380002003002600	84.40	70.47	154.87	18.99
42	1	2013	S095000002000400	53.04	50.11	103.15	13.68
43	1	2013	S160000000004815	41.83	35.65	77.48	9.66
44	1	2013	M355000173000300	36.33	23.34	59.67	6.05
45	1	2013	N861301000009900	17.63	13.09	30.72	3.20
46	1	2013	M355000173000300	9.24	6.12	15.36	1.57
47	1	2013	L205000018000100	6.11	4.54	10.65	1.11
48	1	2012	L125000002001400	86.71	78.83	165.54	19.12
49	1	2012	V380002003002600	69.17	66.06	135.23	16.81
50	1	2012	L165001001000200	31.86	28.76	60.62	6.93
51	1	2012	E540000020004900	10.04	8.59	18.63	1.97
52	1	2011	M565000004000100	198.54	182.33	380.87	37.82
53	1	2011	L125000002001400	93.98	96.73	190.71	22.41

54	1	2011	V380002003002600	84.62	90.97	175.59	22.09
55	1	2011	H305000000000400	82.06	82.54	164.60	18.71
56	1	2011	T525002006001200	66.83	64.11	130.94	13.83
57	1	2011	L045000024000003	52.41	47.82	100.23	9.75
58	1	2011	M355000150002100	25.00	23.06	48.06	4.76
59	1	2010	E720000004000100	213.36	220.29	433.65	43.52
60	1	2010	L125000002001400	96.60	111.02	207.62	24.78
61	1	2010	B158504000006100	65.98	72.97	138.95	15.64
62	1	2010	E015700000009800	25.02	31.49	56.51	7.51
63	1	2010	E015700000009800	25.02	31.49	56.51	7.51
64	1	2010	H510000001000100	25.90	25.19	51.09	4.58
65	1	2010	T525000009001000	11.80	12.45	24.25	2.55
66	1	2010	N580000004001500	12.56	12.47	25.03	2.34
67	1	2010	H305000000000400	8.21	9.24	17.45	2.02
68	1	2010	V180000005001000	0.06	0.06	0.12	0.01
69	1	2009	T73000200C010500	410.77	446.03	856.80	78.87
70	1	2009	M465800000009400	165.87	174.58	340.45	29.36
71	1	2009	T525002006001200	72.41	86.84	159.25	17.60
72	1	2009	M565000004000100	53.10	61.50	114.60	12.03
73	1	2009	G550000000001200	49.53	58.88	108.41	11.81
74	1	2009	B158504000006100	37.96	46.53	84.49	9.68
75	1	2009	C140000078001100	47.59	51.52	99.11	9.07
76	1	2009	R415000001000900	15.12	17.27	32.39	3.29
77	1	2009	P927901000007000	12.95	15.78	28.73	3.26
78	1	2009	B190016000000200	9.80	10.82	20.62	1.97
79	1	2009	C912000001001900	7.77	8.88	16.65	1.69
80	1	2009	E720000004000100	7.41	8.54	15.95	1.65
81	1	2008	T73000200C010500	420.32	506.84	927.16	88.27
82	1	2008	C140000078001100	69.28	83.31	152.59	14.45
83	1	2008	B48200000C001100	44.60	57.35	101.95	10.97
84	1	2008	B158003004001400	20.82	26.08	46.90	4.81
85	1	2008	M015000062000401	16.31	22.33	38.64	4.62
86	1	2008	B190016000000200	18.65	22.87	41.52	4.08
87	1	2008	L672500000014000	13.30	17.56	30.86	3.51
88	1	2008	H265000006004000	11.27	13.17	24.44	2.18
89	1	2008	D400000009000300	-18.86	-29.92	-48.78	-6.91
90	1	2007	T73000200C010500	429.18	569.01	998.19	97.85
91	1	2007	S100000002003000	54.47	78.02	132.49	15.03
92	1	2007	E540000027001000	32.53	44.77	77.30	8.15
93	1	2007	B158003004001400	25.60	35.14	60.74	6.38
94	1	2007	H365003000001100	22.49	29.07	51.56	4.79
95	1	2007	S245000000001200	8.79	11.86	20.65	2.10
96	1	2007	L108502000002700	7.56	10.08	17.64	1.75
97	1	2007	M475000002001600	7.14	9.26	16.40	1.53
98	1	2006	T73000200C010500	390.16	564.10	954.26	95.98
99	1	2006	W380000238000005	25.01	36.75	61.76	6.42
100	1	2006	C730000021000800	9.85	19.13	28.98	4.18
101	1	2006	S100000002003000	8.98	13.94	22.92	2.64
102	1	2005	T73000200C010500	387.18	606.26	993.44	102.22
103	1	2005	L045000024000002	40.06	63.67	103.73	11.00
104	1	2005	S215000003001200	15.83	21.98	37.81	2.92
105	1	2005	W230000052000300	8.15	13.68	21.83	2.57
106	1	2005	R382500008000500	6.22	9.25	15.47	1.43
107	1	2005	R225001003001900	2.30	4.10	6.40	0.83
108	1	2005	R225001003001900	2.31	4.10	6.41	0.83
109	1	2004	T73000200C010500	378.97	638.88	1,017.85	106.87
110	1	2004	D600001000021001	83.74	140.34	224.08	23.24

111	1	2004	S170002063000100	80.53	118.31	198.84	14.86
112	1	2004	C005000000004905	44.68	79.34	124.02	14.41
113	1	2004	S477000000006600	14.48	25.76	40.24	4.69
114	1	2004	G040000006000100	9.75	17.44	27.19	3.20
115	1	2004	B496504000032900	7.69	14.19	21.88	2.72
116	1	2004	W010000044001052	6.78	9.95	16.73	1.25
117	1	2004	S725002008000200	3.46	5.88	9.34	0.99
118	1	2003	T73000200C010500	369.71	667.63	1,037.34	110.91
119	1	2003	S170002063000100	204.97	325.73	530.70	41.51
120	1	2003	D600001000021001	72.26	129.76	202.02	21.35
121	1	2003	L313001000001700	27.19	41.66	68.85	4.81
122	1	2003	C690000001000700	6.22	10.39	16.61	1.48
123	1	2002	T73000200C010500	365.13	703.18	1,068.31	116.11
124	1	2002	T476000000004000	240.63	440.13	680.76	66.05
125	1	2002	T210000239000710	179.40	289.74	469.14	32.29
126	1	2002	E540000060000101	58.28	120.58	178.86	22.29
127	1	2002	R380000014000600	55.00	113.26	168.26	20.79
128	1	2002	D600001000021001	59.07	113.17	172.24	18.52
129	1	2002	L313001000001700	45.28	74.82	120.10	8.83
130	1	2002	S170002063000100	18.13	30.98	49.11	4.00
131	1	2001	T73000200C010500	304.91	623.80	928.71	102.45
132	1	2001	T476000000004000	245.25	478.04	723.29	71.74
133	1	2001	T210000239000710	122.57	212.66	335.23	24.27
134	1	2001	L222500000001500	49.02	89.19	138.21	11.47
135	1	2000	T73000200C010500	255.80	554.02	809.82	90.55
136	1	2000	T476000000004000	69.54	143.89	213.43	21.59
137	1	2000	S170003007001200	35.59	67.94	103.53	8.49
138	1	2000	S4770000000040600	21.06	47.68	68.74	8.38
139	1	2000	L025000010000000	10.66	27.54	38.20	5.46
140	1	2000	A130000001003700	14.67	29.23	43.90	4.05
141	1	1999	T210000239000710	195.55	386.22	581.77	45.76
142	1	1999	B264000001000500	59.88	145.66	205.54	26.23
143	1	1999	R385000003000700	5.95	13.49	19.44	2.17
144	1	1998	W070000001000800	52.47	112.76	165.23	14.40
145	1	1998	E540000002002100	26.89	58.87	85.76	7.87
146	1	1998	B264000001000500	4.05	10.33	14.38	1.85
147	1	1997	T210000239000710	18.77	41.58	60.35	5.07
148	1	1996	A080098000111600	2.64	7.84	10.48	1.48
149	1	1995	V380002003001400	26.54	69.79	96.33	10.15
150	1	1995	V380002003001400	15.93	41.87	57.80	6.09
151	1	1994	J570000001001034	12.06	31.42	43.48	4.05
152	1	1993	A080000000114909	9.85	30.29	40.14	5.03
153	1	1992	L670000017000500	31.77	94.96	126.73	13.87
154	1	1991	L670000017000500	30.39	94.49	124.88	13.81
155	1	1988	M215000001002000	6.75	22.54	29.29	3.04
156	1	1982	S120000000003100	0.56	2.57	3.13	0.44
157	1	2000	W010000035000206	45.98	96.58	142.56	15.10
158	1	1999	W010000035000206	32.92	73.12	106.04	11.41
159	1	1998	W010000035000206	32.92	77.07	109.99	12.00
160	1	1997	W010000035000206	34.99	86.10	121.09	13.38
161	1	1996	W010000035000206	34.30	88.52	122.82	13.74
162	1	1994	W010000035000206	30.51	86.06	116.57	13.32
163	1	1993	W010000035000206	30.00	88.22	118.22	13.64
164	1	1992	W010000035000206	29.40	89.99	119.39	13.89
165	1	1991	W010000035000206	27.84	88.56	116.40	13.66
166	1	1990	W010000035000206	27.36	90.31	117.67	13.91
167	12	1999	W010000035000206	0.80	1.78	2.58	0.28

168	12	1998	W010000035000206	1.44	3.37	4.81	0.53
169	12	1997	W010000035000206	1.70	4.19	5.89	0.65
170	12	1996	W010000035000206	1.84	4.75	6.59	0.74
171	12	1994	W010000035000206	1.47	4.15	5.62	0.64
172	12	1993	W010000035000206	1.47	4.32	5.79	0.67
173	12	1992	W010000035000206	1.47	4.50	5.97	0.69
174	12	1991	W010000035000206	0.74	2.35	3.09	0.36
175	12	1990	W010000035000206	0.74	2.44	3.18	0.38
176	1	2014	L136500000010300	27.08	22.65	49.73	6.58
177	1	2013	J880000001002000	5.65	4.52	10.17	1.17
178	1	2009	P640000062000500	73.96	80.79	154.75	14.42
179	1	2007	E540000045000300	4.42	6.58	11.00	1.33
180	1	2022	C309183001171000	0.08	0.01	0.09	0.02

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

July 11, 2023

Rolando Garza, Chief Appraiser
Hidalgo County Appraisal District
4405 S. Professional Dr.
Edinburg, Texas 78540-0208

Re: Hidalgo Wind Farm, LLC Phase I and II 2023 Tax Abatement Report No. 2023-18 and 2023-19

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreements between Hidalgo County and Hidalgo Wind Farm, LLC Phase I and Phase II. The objective of the review was to determine if Hidalgo Wind Farm, LLC qualifies for a tax abatement for the 2023 tax year.

Scope and Methodology:

The scope of the review was limited to a review of the tax abatement agreement between Hidalgo County and Hidalgo Wind Farm, LLC Phase I and Phase II, correspondence received from Hidalgo Wind Farm, LLC, and the compliance verification letter from Hidalgo Wind Farm, LLC regarding compliance with terms of the tax abatement agreements.

Conclusion:

Based on the review, we determined that Hidalgo Wind Farm, LLC Phase I and Phase II qualify for 80% and 70% tax abatement, respectively, for the 2023 tax year based on the capital improvement cost.

If you have any questions please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, 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, CPFA
Interim County Auditor

Cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Ms. Blanca Perez, Supervisor - Property Records, Hidalgo County Appraisal District

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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COUNTY of HIDALGO



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July 11, 2023

Rolando Garza, Chief Appraiser
Hidalgo County Appraisal District
4405 S. Professional Dr.
Edinburg, Texas 78540-0208

Re: Wonderful Citrus Packing, LLC 2023 Tax Abatement Report No. 2023-20

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreement between Hidalgo County and Wonderful Citrus Packing, LLC. The objective of the review was to determine if Wonderful Citrus Packing, LLC qualifies for a tax abatement for the 2023 tax year.

Scope and Methodology:

The scope of the review was limited to a review of the tax abatement agreement between Hidalgo County and Wonderful Citrus Packing, LLC and correspondence received from Wonderful Citrus Packing, LLC regarding compliance with terms of the tax abatement agreement.

Conclusion:

We determined that Wonderful Citrus Packing, LLC qualifies for 80% tax abatement for the 2023 tax year based on the increase in newly created value as reflected in the tax rolls of the Hidalgo County Appraisal District.

If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-2511, ext. 4641, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu, Director of Audit, ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

Linda Fong, CPFA
Interim County Auditor

cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Ms. Blanca Perez, Supervisor - Property Records, Hidalgo County Appraisal District

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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COUNTY of HIDALGO



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May 17, 2023

Rolando Garza, Chief Appraiser
Hidalgo County Appraisal District
4405 S. Professional Dr.
Edinburg, Texas 78540-0208

Re: United Parcel Service, Inc. 2023 Tax Abatement Report No. 2023-21

Dear Mr. Garza:

We completed a limited scope review of the tax abatement agreement between Hidalgo County and United Parcel Service, Inc (UPS). The objective of the review was to determine if UPS qualifies for a tax abatement for the 2023 tax year.

Conclusion:

Based on the review, we determined that United Parcel Service, Inc. qualifies for 80% tax abatement for the 2023 tax year based on the increase in newly created value ascertained from the tax rolls of the Hidalgo County Appraisal District.

Scope and Methodology:

The scope of the review was limited to a review of the tax abatement agreement between Hidalgo County and United Parcel Service, Inc. and supporting documentation received from UPS regarding compliance with terms of the tax abatement agreement.

If you have any questions please contact Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, 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
Interim County Auditor

cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Ms. Blanca Perez, Supervisor - Property Records, Hidalgo County Appraisal District

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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COUNTY *of* HIDALGO

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May 17, 2023

Myra Ayala, City Manager
City of Edinburg
415 W. University Drive
Edinburg, Texas 78541

Re: City of Edinburg TIRZ No. 3 La Sienna - Report No. 2023-38

Dear Ms. Ayala:

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 2022-2023 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, 2023. 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.

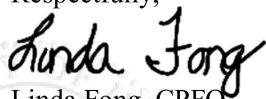
The results of the review revealed the following:

1. A payment request was submitted in the amount of \$372,631.49; however, it was determined that the payment amount should be \$352,506.19 (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.

We will proceed to process the 2022-2023 payment in the amount of \$352,506.19.

If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-2511, ext. 4641, Corina Martinez, Compliance Audit Supervisor, at 318-2511 ext. 4656, 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

Interim County Auditor

Enclosure: Exhibit A

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

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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.

YSMAEL D. FONSECA
JUDGE, 464TH D.C.

EXHIBIT A

2022-2023 Edinburg TIRZ No. 3 - La Sienna Payment

	Edinburg TIRZ No. 3 Calculation 2018	Edinburg TIRZ No. 3 Calculation 2019	Edinburg TIRZ No. 3 Calculation 2020	Edinburg TIRZ No. 3 Calculation 2021	Edinburg TIRZ No. 3 Calculation 2022	Total
Tax Increment Reinvestment Zone (TIRZ) Payment Calculation						
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 41,055,343.00	\$ 46,248,334.00	\$ 50,493,701.00	\$ 57,880,799.00	\$ 75,221,040.00	\$ 226,908,217.00
(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)	0.0058	0.00575	0.00575	0.00575	0.00575	0.00575
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ (HCAD)	\$ 238,120.99	\$ 265,927.92	\$ 290,338.78	\$ 332,814.59	\$ 432,520.98	\$ 1,559,723.26
(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Captured Appraised Value						
Captured Appraised Value (Multiplied by) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.5127/100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Levy Due to TIRZ						
TIRZ Collections (for February 1, 2022 through January 31, 2023) as per Collections Reports provided by Hidalgo County Tax Office	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percent Collected of Actual Levy						
Tax Levy Due to TIRZ (Multiplied by) Percent Collected of Actual Levy (Less) Administrative Cost (Less) Adjustments **	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022-2023 TIRZ PAYMENT AMOUNT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Auditor's Edinburg TIRZ No. 3 Calculation 2018	Auditor's Edinburg TIRZ No. 3 Calculation 2019	Auditor's Edinburg TIRZ No. 3 Calculation 2020	Auditor's Edinburg TIRZ No. 3 Calculation 2021	Auditor's Edinburg TIRZ No. 3 Calculation 2022	Total
Tax Increment Reinvestment Zone (TIRZ) Payment Calculation						
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 41,055,343.00	\$ 46,248,334.00	\$ 50,493,701.00	\$ 57,880,799.00	\$ 75,221,040.00	\$ 226,908,217.00
(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)	0.0058	0.00575	0.00575	0.00575	0.00575	0.00575
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ (HCAD)	\$ 238,120.99	\$ 265,927.92	\$ 290,338.78	\$ 332,814.59	\$ 432,520.98	\$ 1,559,723.26
(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Captured Appraised Value						
Captured Appraised Value (Multiplied by) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.5127/100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Levy Due to TIRZ						
TIRZ Collections (for February 1, 2022 through January 31, 2023) as per Collections Reports provided by Hidalgo County Tax Office	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percent Collected of Actual Levy						
Tax Levy Due to TIRZ (Multiplied by) Percent Collected of Actual Levy (Less) Administrative Cost (Less) Adjustments **	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022-2023 TIRZ PAYMENT AMOUNT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

\$ 20,125.30

COUNTY of HIDALGO



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

June 16, 2023

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

Re: City of McAllen TIRZ No. 1 (THML1) Report No. 2023-44

Dear Mr. Garza:

We conducted a limited scope review of the tax year 2022 list of tax accounts coded THML1 by Hidalgo County Appraisal District (HCAD). The objective of the review was to determine whether the list only included real property accounts located within the TIRZ boundaries.

The scope of the review was limited to tax accounts located within the TIRZ boundaries for tax roll 2022. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction.

In conducting the review, we examined the agreement between Hidalgo County and the City of McAllen TIRZ No. 1, the list of property accounts coded THML1, and the TIRZ map provided by HCAD.

The results of the review revealed that tax account numbers 224742 and 1074944 were not located within the TIRZ boundaries; however, the tax account numbers were included on the tax year 2022 list of tax accounts coded THML1 by HCAD. In addition, tax account number 1074650 was located within the TIRZ boundary; however, the tax account was not included on the tax year 2022 list of tax accounts coded THML1 by HCAD.

Please make the necessary corrections and submit the revised list of tax accounts coded THML1 to the Hidalgo County Auditor's Office and Tax Assessor/Collector's Office by June 23, 2023.

If you have any questions, please contact Linda Vasquez, Internal Auditor II, at 318-2511 ext. 4694, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,


Linda Fong, CPF
Interim County Auditor

cc: The Honorable Richard F. Cortez, Hidalgo County Judge
The Honorable Pablo Villarreal, Hidalgo County Tax Assessor-Collector

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

COUNTY of HIDALGO

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June 16, 2022

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

Re: McAllen TIRZ No. 1 (Tres Lagos) Report No. 2023-44

Dear Mr. Rodriguez:

We conducted a limited scope review of the interlocal agreement between the City of McAllen, Hidalgo County, and the City of McAllen TIRZ No. 1. The objectives of the review were to determine the accuracy of the McAllen TIRZ No. 1 2022 payment request, compliance with Section IV (B)(2) and VIII (J) of the interlocal agreement, and Tax Code § 311.016.

The scope of the review was limited to the property tax accounts located within McAllen TIRZ No. 1 for 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 improvements could be made.

The results of the review revealed the following:

1. A payment request was submitted in the amount of \$945,761.67; however, we determined that the payment amount should be \$934,642.11 (see Exhibit A); and
2. The annual report and annual financial review were submitted in compliance with Tax Code § 311.016 and section IV (B)(2) and VIII (J) of the interlocal agreement.

We will proceed to process the 2022 McAllen TIRZ No. 1 payment in the amount of \$934,642.11.

If you have any questions, please contact Linda Vasquez, Internal Auditor II, at 318-2511 ext. 4694, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, 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, CPFQ
Interim County Auditor

Enclosure: Exhibit A

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

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

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JUDGE, 449TH D.C.

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

2022-2023 McAllen TIRZ 1 Payment		McAllen TIRZ Tax Year 2022	Total
Tax Increment Reimbursement Zone (TIRZ) Payment Calculation			
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraised District (HCAD))		\$ 184,570,093	
(Less) Year Real Property Certified Appraised Value for Tax Accounts (Provided by HCAD)		(6,005,733)	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ		\$ 1,061,278.03	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraised District (HCAD))			
		\$ 184,570,093	
(Less) Year Real Property Certified Appraised Value for Tax Accounts (Provided by HCAD)		(6,005,733)	
Captured Appraised Value		\$ 183,564,360	
Capture Appraised Value		\$ 183,564,360	
(Less) Contribution Rate (Per agreement s/b the lesser of 67% of 2008 or 67% of current MAO)		(6,005,733)	
Tax Levy Due to TIRZ		\$ 945,095.00	
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office			
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ		\$ 1,061,278.03	
(Less) Year Real Property Certified Appraised Value for Tax Accounts (Provided by HCAD)		(100,000,000)	
Percent Collected of Actual Levy		94.80%	
Tax Levy Due to TIRZ		\$ 945,095.00	
(Less) Administrative Cost		(10,000,000)	
(Less) Adjustments **		\$ 945,161.67	
2022-2023 TIRZ PAYMENT AMOUNT		\$ 945,161.67	

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

Year 2022 Payment Calculation

City's Net Amount Due \$ 945,761.67
 County's Net Amount Due \$ 35,042.11
 Variance \$ (11,119.88)

2022-2023 McAllen TIRZ 1 Payment		McAllen TIRZ Tax Year 2022	Total
Tax Increment Reimbursement Zone (TIRZ) Payment Calculation			
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraised District (HCAD))		\$ 184,570,093	
(Less) Year Real Property Certified Appraised Value for Tax Accounts (Provided by HCAD)		(6,005,733)	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ		\$ 1,061,278.03	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraised District (HCAD))			
		\$ 184,570,093	
(Less) Year Real Property Certified Appraised Value for Tax Accounts (Provided by HCAD)		(6,005,733)	
Captured Appraised Value		\$ 183,564,360	
Capture Appraised Value		\$ 183,564,360	
(Less) Contribution Rate (Per agreement s/b the lesser of 67% of 2008 or 67% of current MAO)		(6,005,733)	
Tax Levy Due to TIRZ		\$ 945,095.00	
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office			
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ		\$ 1,061,278.03	
(Less) Year Real Property Certified Appraised Value for Tax Accounts (Provided by HCAD)		(100,000,000)	
Percent Collected of Actual Levy		94.80%	
Tax Levy Due to TIRZ		\$ 945,095.00	
(Less) Administrative Cost		(10,000,000)	
(Less) Adjustments **		\$ 945,161.67	
2022-2023 TIRZ PAYMENT AMOUNT		\$ 945,161.67	

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

Tax Increment Reimbursement Zone (TIRZ) Payment Calculation	County Auditor's Calculation for Tax Year 2017	County Auditor's Calculation for Tax Year 2018	County Auditor's Calculation for Tax Year 2019	County Auditor's Calculation for Tax Year 2020	County Auditor's Calculation for Tax Year 2021	County Auditor's Calculation for Tax Year 2022	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraised District (HCAD))	\$ 3,102,722.00	\$ 34,548,095.00	\$ 62,916,134.00	\$ 90,912,323.00	\$ 126,078,458.00	\$ 183,804,192.00	
(Less) Year Real Property Certified Appraised Value for Tax Accounts (Provided by HCAD)	(6,005,733)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	
Captured Appraised Value	\$ 2,039,009.00	\$ 33,484,382.00	\$ 61,852,421.00	\$ 89,848,610.00	\$ 125,014,745.00	\$ 182,740,479.00	
Capture Appraised Value	\$ 2,039,009.00	\$ 33,484,382.00	\$ 61,852,421.00	\$ 89,848,610.00	\$ 125,014,745.00	\$ 182,740,479.00	
(Less) Contribution Rate (Per agreement s/b the lesser of 67% of 2008 or 67% of current MAO)	(6,005,733)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	
Tax Levy Due to TIRZ	\$ 945,095.00	\$ 30,384,669.00	\$ 59,788,708.00	\$ 88,784,897.00	\$ 123,948,032.00	\$ 181,676,766.00	
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office	\$ 290.00	\$ 3,907.10	\$ 3,844.09	\$ 3,847.56	\$ 42,008.54	\$ 1,002,501.38	
(Less) Year Real Property Certified Appraised Value for Tax Accounts (Provided by HCAD)	(6,005,733)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	(1,063,713.00)	
Percent Collected of Actual Levy	1.6115%	1.2949%	1.0695%	0.7300%	5.7944%	94.8553%	
Tax Levy Due to TIRZ	\$ 945,095.00	\$ 30,384,669.00	\$ 59,788,708.00	\$ 88,784,897.00	\$ 123,948,032.00	\$ 181,676,766.00	
(Less) Administrative Cost	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	
(Less) Adjustments **	\$ 55,431.00	\$ 84,415.00	\$ 469,481.00	\$ 815,775.00	\$ 12,271,009.00	\$ 295,889,721.00	
2022-2023 TIRZ PAYMENT AMOUNT	\$ 55,431.00	\$ 84,415.00	\$ 469,481.00	\$ 815,775.00	\$ 12,271,009.00	\$ 295,889,721.00	

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

June 16, 2023

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

Re: McAllen TIRZ No. 1 (Tres Lagos) Report No. 2023-44

Dear Mr. Villarreal:

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

The scope of the review was limited to the tax accounts located within the TIRZ for tax roll 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 improvements could be made. The responsibility for sound internal controls rests with management.

In conducting the review, we reviewed the TIRZ list of accounts and TIRZ collection reports provided by the Tax Office, a list of tax accounts coded THML1 by the Hidalgo County Appraisal District (HCAD), and the TIRZ map provided by the HCAD.

The results of the review revealed that tax account numbers 224742 and 1074944 were not located within the TIRZ boundaries; however, the tax account numbers were included in the TIRZ list of tax accounts provided by the Tax Office. In addition, tax account number 1074650 is located within the TIRZ boundaries; however, it was not included in the TIRZ collection reports or list of accounts provided by the Tax Office. The HCAD has been notified of the needed corrections for tax accounts noted above.

Please submit a revised tax account listing and collection report for the City of McAllen TIRZ No. 1 to the County Auditor's Office by June 23, 2023.

If you have any questions, please contact Linda Vasquez, Internal Auditor II, at 318-2511 ext. 4694, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,


Linda Fong, CPFQ
Interim County Auditor

cc: The Honorable Richard F. Cortez, Hidalgo County Judge
Ms. Blanca Perez, Supervisor - Property Records, Hidalgo County Appraisal District

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 322ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 388TH D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C. OVERSEER

COUNTY of HIDALGO

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August 30, 2023

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

Re: Sanitation Program MFR for February 2022 through July 2023

Dear Commissioner Cantu:

We conducted a limited scope review of the Sanitation Program *Monthly Fee Report* (MFR) and supporting documentation for the months of February 2022 through July 2023 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 February 2022 through July 2023. 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 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 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 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, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.

Conclusion:

Collections for the months of February 2022 through July 2023 totaled:

2022		2023	
February	\$ 7,125.00	January	\$ 8,525.00
March	\$ 9,975.00	February	\$ 7,325.00
April	\$ 9,250.00	March	\$ 9,825.00
May	\$ 8,100.00	April	\$ 7,275.00
June	\$ 10,425.00	May	\$ 6,975.00
July	\$ 6,325.00	June	\$ 7,325.00
August	\$ 9,475.00	July	\$ 7,750.00
September	\$ 8,200.00		
October	\$ 8,075.00		
November	\$ 6,825.00		
December	\$ 8,250.00		

Based on the review, we concluded that fees collected were generally properly accounted and reported.

If you have any questions, please contact Linda Vasquez, Internal Auditor II, at 318-2511 ext. 4694, Corina Martinez, Compliance Audit Supervisor, at ext.4656 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
 Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
 Mr. Armando Garza, Chief Administrator, Hidalgo County Precinct No. 2
 Ms. Erika Zamora, Director of Administration, Hidalgo County Precinct No. 2



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

COUNTY of HIDALGO

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September 1, 2023

The Honorable Toribio "Terry" Palacios, Criminal District Attorney
Hidalgo County Office of the Criminal District Attorney
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

Re: Forensic Center MFR for January 2022 through June 2023

Dear Mr. Palacios:

We conducted a limited scope review of the Monthly Fees Report (MFR) and supporting documentation for the months of January 2022 through June 2023 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 *Monthly Fees Report* for the months of January 2022 through June 2023. 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANCIAS JUDGE, 93rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. MARLA CUELLAR JUDGE, 275th D.C. MARIO E. RAMIREZ, JR. JUDGE, 332nd D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476th D.C.

- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Daily Remittances/Close-out Forms* to determine whether fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Verified that receipts, *Daily Remittance/Close-out Forms*, and the *Monthly Fees Report* were properly completed.

Conclusion:

Collections for the months of January 2022 through June 2023 totaled:

2022		2023	
January	\$ 58.00	January	\$ -
February	\$ 153.20	February	\$ -
March	\$ -	March	\$ 32.00
April	\$ -	April	\$ 57.80
May	\$ -	May	\$ 231.90
June	\$ 57.00	June	\$ 89.90
July	\$ -		
August	\$ -		
September	\$ 58.20		
October	\$ -		
November	\$ -		
December	\$ -		

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

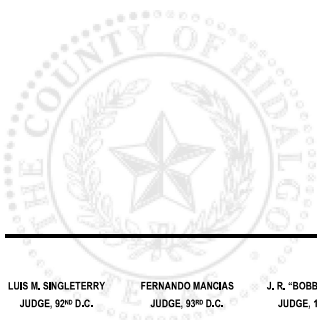
If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-2511 ext. 4641, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, Reynaldo Cantu III, Director of Audit, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,



Linda Fong, CPFO
 Interim Hidalgo County Auditor

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



HIDALGO COUNTY DISTRICT JUDGES

COUNTY of HIDALGO



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EDINBURG, TEXAS 78539

September 1, 2023

The Honorable Celestino Avila, Constable
Hidalgo County Precinct No. 1
1902 Joe Stephens Blvd. Suite 303
Weslaco, TX 78596

Re: MFR for February 2022 through February 2023

Dear Constable Avila:

We conducted a limited scope review of the Constable Precinct No. 1 *Monthly Fees Report* (MFR) and supporting documentation for the months of February 2022 through February 2023 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, 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 February 2022 through February 2023. 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. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

Conclusion:

Collections for the months of February 2022 through February 2023 totaled:

2022		2023	
February	\$ 6,343.00	January	\$ 13,495.00
March	\$ 3,535.00	February	\$ 9,646.00
April	\$ 14,523.00		
May	\$ 7,960.00		
June	\$ 5,844.00		
July	\$ 6,619.00		
August	\$ 6,674.00		
September	\$ 2,814.00		
October	\$ 11,872.00		
November	\$ 300.00		
December	\$ 7,958.00		

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

If you have any questions, please contact Alejandro Torres, Internal Auditor II, at 318-2511, ext. 4644, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, 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
 Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
 Mr. Joe F. Espinosa, Chief Deputy Constable, Precinct No. 1



HIDALGO COUNTY DISTRICT JUDGES

COUNTY of HIDALGO

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September 1, 2023

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

Re: MFR for March 2022 through February 2023

Dear Constable Gaitan:

We conducted a limited scope review of the Constable Precinct No. 4 *Monthly Fees Report* (MFR) and supporting documentation for the months of March 2022 through February 2023 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 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 March 2022 through February 2023. 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. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. 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. YSMAEL FONSECA JUDGE, 476TH D.C.

Conclusion:

Collections for the months of March 2022 through February 2023 totaled:

2022		2023	
March	\$ 13,615.50	January	\$ 18,337.00
April	\$ 11,525.00	February	\$ 1,908.00
May	\$ 11,545.00		
June	\$ 8,117.00		
July	\$ 6,997.00		
August	\$ 9,734.00		
September	\$ 5,760.00		
October	\$ 12,755.00		
November	\$ 800.00		
December	\$ 10,721.00		

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

If you have any questions, please contact Alejandro Torres, Internal Auditor II, at 318-2511 ext. 4644, Corina Martinez, Audit Compliance Supervisor, at ext. 4656, 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
 Interim 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. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th 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

September 1, 2023

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

Re: MFR for February 2022 through February 2023

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 February 2022 through February 2023 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 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 February 2022 through February 2023. 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. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

Conclusion:

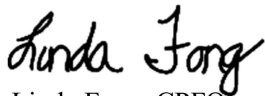
Collections for the months of February 2022 through February 2023 totaled:

2022		2023	
February	\$10,372.00	January	\$ 585.00
March	\$10,135.00	February	\$ 720.00
April	\$19,195.00		
May	\$21,202.00		
June	\$ 8,154.00		
July	\$11,327.80		
August	\$35,921.29		
September	\$ 2,325.00		
October	\$12,075.00		
November	\$13,290.00		
December	\$ 300.00		

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

If you have any questions, please contact Alejandro Torres, Internal Auditor II, at 318-2511 ext. 4644, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, 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
 Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
 Mr. Armando Campos, Chief Deputy, Hidalgo County Precinct No. 2



HIDALGO COUNTY DISTRICT JUDGES

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

EDINBURG, TEXAS 78539

August 31, 2023

Mr. Homero Garza, Fire Marshal
Hidalgo County Fire Marshal's Office
2814 S. Business Hwy 281
Edinburg, Texas 78539

Re: MFR for September 2022 through April 2023

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 September 2022 through April 2023 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 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 that 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 September 2022 through April 2023. 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 *Daily Remittance* forms to determine if fees collected were properly accounted and deposited with the County Treasurer on or before the fifth day after the day on which the funds were received.
- Verified that the collections per the MFR agreed to total receipts issued and the deposits made with the County Treasurer.
- Verified that receipts, *Daily Remittance* forms, and the MFR 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. 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.

Conclusion:

Collections for the months of September 2022 through April 2023 totaled:

2022		2023	
September	\$ 15,067.25	January	\$ 16,822.50
October	\$ 15,551.15	February	\$ 11,617.50
November	\$ 15,364.29	March	\$ 30,652.00
December	\$ 13,656.55	April	\$ 21,739.75

Based on the review, we concluded that fees were generally properly accounted and reported; however, the system of internal controls for the accounting, reporting, receipting, and collection of proper fees requires improvement as noted in the observation below.

Observation No. 1:

We noted that a building permit fee collected in October 2022 was not collected in accordance with the fee schedule approved by Commissioners Court. The amount collected was \$200 instead of \$14,490.00 for a building permit fee for a project with a valuation over \$5,000,000.00. The application and fee were submitted by mail and receipted by the Fire Marshal's Office. The Fire Marshal's Office collected the difference and remitted the funds to the Treasurer's Office on March 3, 2023.

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. According to the fee schedule approved by Commissioners Court on May 27, 2014, a \$3,240 fee for the first \$5,000,000 valuation plus \$.25 per \$1,000 or fraction of value over \$5,000 must be collected on a building permit.

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

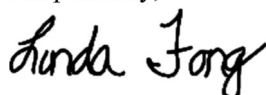
Recommendation:

Management should develop and implement formal procedures to ensure that fees are properly collected as approved by Commissioners Court. Partial payments should not be accepted and/or receipted. Furthermore, all checks/money order payments received for less than the fee approved by Commissioners Court should be returned to the sender.

Please provide a written management response to the observation noted above on the attached Management Response Form by September 30, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions, please contact Linda Vasquez, Internal Auditor II, at 318-2511 ext. 4694, Corina Martinez, Compliance Audit Supervisor, at ext. 4656, 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
Interim County Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Mr. Eric Sanchez, Chief Deputy Fire Marshal

HIDALGO COUNTY DISTRICT JUDGES



**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 September 2022 through April 2023 **MANAGEMENT RESPONSE DUE:** September 30, 2023

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

Management should develop and implement formal procedures to ensure that fees are properly collected as approved by Commissioners Court. Partial payments should not be accepted and/or receipted. Furthermore, all checks/money order payments received for less than the fee approved by Commissioners Court should be returned to the sender.

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



EDINBURG, TEXAS 78539

August 28, 2023

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

Re: MFR for July 2022 through June 2023

Dear Ms. Hinojosa:

We conducted a limited scope review of the *Monthly Fees Report* (MFR) and supporting documentation for the months of July 2022 through June 2023 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 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 July 2022 through June 2023. 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 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.
- Verified that collections per the MFR agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Reports, 3.) total deposits

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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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 MFR 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.
- 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*, MFR, and mail logs were properly completed.

Conclusion:

Collections for the months of July 2022 through June 2023 totaled \$441,762.86, \$428,701.74, \$338,619.90, \$409,841.86, \$318,453.37, \$296,786.44, \$497,581.01, \$401,372.87, \$503,550.72, \$415,015.32, \$433,497.36, and \$364,729.98, 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 Edgar Alan Escobedo, Internal Auditor III, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, 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
Interim County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Ms. Sabrina Guerra, Accountant IV, District Clerk's Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 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

September 27, 2023

Mr. Eduardo Olivarez, Chief Administrator
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Cash Count Report No. 2022-566

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Elsa Health Clinic on December 19, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that the Clerk Manager performed incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on November 14, 2019. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.

Conclusion:

Cash on hand at the time of the cash count was \$100.00. No receipts had been issued for the day up to the time of the cash count. Based on the review, we concluded that total cash on hand reconciled to the approved change fund of \$100.00. However, we noted that the system of internal controls for the collection and safeguarding of cash continues to require improvement as noted in the following observation.

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.

Repeat Observation No. 1:

We noted that segregation of duties over the collection and recording of cash requires improvement. In addition, compensating controls to cover the lack of basic internal controls have not been implemented. The Clerk Manager performs the following incompatible duties:

- Custody: Receives money, issues receipts, balances copies of receipts against the cash drawer, maintains a cash drawer, prepares bank deposits, and has access to the inventory of unused receipts
- Recording: Accounts for the numerical sequence of cash receipts, maintains the inventory log of unused receipts, and prepares reports of cash received
- Authorization: Verifies that voided original receipts are reviewed and submitted to the Main Office

According to staff, proper segregation of duties has not been implemented due to limited staff.

Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for the numerical sequence of cash receipts, maintaining the inventory log of unused receipts, and preparing reports of cash received. In addition, the individuals previously noted should be different from the individual that is responsible for verifying that voided original receipts are kept and submitted to the Main Office.

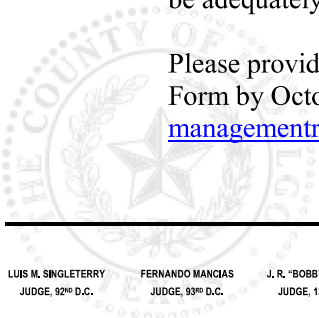
Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, 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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response for the observation noted above on the attached Management Response Form by October 11, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.



HIDALGO COUNTY DISTRICT JUDGES

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Abigail Espinoza, MSA, Internal Auditor III, at (956) 318-2511 ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

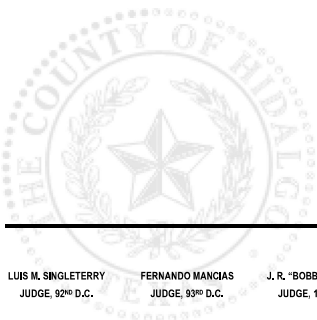
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Dairen Sarmiento, Assistant Director, Hidalgo County Health and Human Services Department



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 nd D.C.	FERNANDO MANCIAS JUDGE, 93 rd D.C.	J. R. "BOBBY" FLORES JUDGE, 139 th D.C.	ROSE GUERRA REYNA JUDGE, 206 th D.C.	MARLA CUELLAR JUDGE, 275 th D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 nd D.C.	NOE GONZALEZ JUDGE, 370 th D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 th D.C.	L. KENO VASQUEZ JUDGE, 398 th D.C.	ISRAEL RAMON, JR. JUDGE, 430 th D.C.	RENEE R. BETANCOURT JUDGE, 449 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 th D.C.	YSMAEL FONSECA JUDGE, 476 th D.C.
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COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

September 27, 2023

Mr. Eduardo Olivarez, Director
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Cash Count Report No. 2022-568

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Weslaco Health Clinic on July 18, 2022 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.

Executive Summary:

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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that the Clerk Manager and Clerks performed incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on September 10, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties

Conclusion:

Cash on hand at the time of the cash count totaled \$160.00. Based on the cash count, we concluded that 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 of \$50.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:

We noted that segregation of duties over the collection and recording of cash requires improvement. The Clerk Manager perform the following incompatible duties:

- Custody: Receives money, issues receipts, balances copies of receipts against the cash drawer, maintains a cash drawer, prepares bank deposits, and has access to the inventory of unused receipts
- Recording: Accounts for the numerical sequence of cash receipts, records receipts in cash received journal/log, maintains the inventory log of unused receipts, and prepares reports of cash received
- Approval: Verifies that voided original receipts are kept and reviewed

The Clerks perform the following incompatible duties:

- Custody: Receive money, issue receipts, balance copies of receipts against the cash drawer, maintain a cash drawer, and prepare bank deposits
- Recording: Account for the numerical sequence of cash receipts, record receipts in cash received journal/log, and prepare reports of cash received
- Approval: Verify that voided original receipts are kept and reviewed

According to staff, proper segregation of duties has not been implemented due to limited staff.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for the numerical sequence of cash receipts, recording receipts in cash received journal/log, maintaining the inventory log of unused receipts, and preparing reports of cash received. In addition, the individuals noted above should be different from the individual responsible for verifying that voided original receipts are kept and reviewed.

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

Please provide a written management response to the observation noted above on the attached Management Response Form by October 11, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you should have any questions, contact Edgar Alan Escobedo, Internal Auditor III, at 318-2511 ext. 4655, Yvonne Torres, Revenue Internal Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

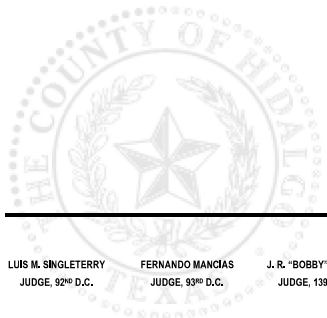
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Dairen Sarmiento, Assistant Director, Hidalgo County Health and Human Services Department



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 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 27, 2023

Mr. Eduardo Olivarez, Director
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, TX 78539

Re: Cash Count Report No. 2022-569

Dear Mr. Olivarez,

We conducted a surprise cash count of the cash held at the Edinburg Health Clinic located on Schunior Road on October 3, 2022 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.

Executive Summary:

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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvements. More specifically, we noted that the Clerk Manager and the Clerks perform incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on October 22, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count totaled \$140.00. Based on the results of the review, we concluded that 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 of \$50.00. However, we noted that improvement has not been made towards resolving the previous observation and the system of internal controls for the collection and safeguarding of cash as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Repeat Observation No. 1:

We noted that segregation of duties over the collection and recording of cash requires improvement. The Clerk Manager and the Clerks perform the following incompatible duties:

- Custody: Receive money, issue receipts, balance copies of receipts against the cash drawer, maintain a cash drawer, prepare bank deposits, and have access to the inventory of unused receipts
- Recording: Account for the numerical sequence of cash receipts, maintain the inventory log of unused receipts, prepare reports of cash received, and prepare daily reports
- Approve: Review, approve, and sign daily financial reports and verify that voided original receipts are kept and reviewed

According to staff, proper segregation of duties has not been implemented due to limited staff.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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, authorization, and recording transactions. The individual responsible for receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for the accounting for the numerical sequence of cash receipts, maintaining the inventory log of unused receipts, preparing reports of cash received, and preparing daily reports. In addition, the individuals previously noted should be different from the individual that is responsible for reviewing, approving, and signing financial reports, and verifying that voided original receipts are kept and reviewed.

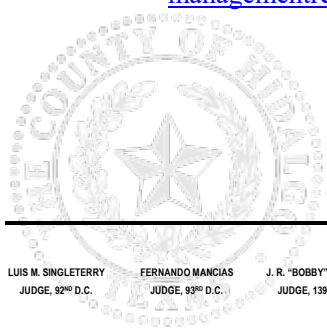
Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited numbers of clerical and administrative personnel, 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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response to the observation noted above on the attached Management Response Form by October 11, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.



HIDALGO COUNTY DISTRICT JUDGES

Mr. Eduardo Olivarez
September 27, 2023
Page 3 of 3

If you have any questions or would like to schedule a meeting regarding this cash count, please contact Osvaldo Escamilla, Internal Auditor III, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

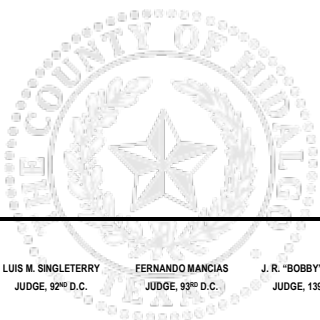
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Dairen Sarmiento, Assistant Director, Hidalgo County Health and Human Services Department



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 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 27, 2023

Mr. Eduardo Olivarez, Director
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, TX 78539

Re: Cash Count Report No. 2022-570

Dear Mr. Olivarez,

We conducted a surprise cash count of the cash held at the McAllen Health Clinic on May 31, 2022 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.

Executive Summary:

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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvements. More specifically, we noted that the Clerk and the Clerk Manager performed incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on June 3, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count totaled \$335.00. Based on the results of the review, we concluded that 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 of \$50.00. However, we noted that improvement has not been made towards resolving the previous observation and the system of internal controls for the collection and safeguarding of cash as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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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 segregation of duties over the collection and recording of cash requires improvement. The Clerk and the Clerk Manager perform the following incompatible duties:

- Custody: Receive money, issue receipts, balance copies of receipts against the cash drawer, maintain a cash drawer, prepare bank deposits, and have access to the inventory of unused receipts
- Recording: Account for the numerical sequence of cash receipts, maintain the inventory log of unused receipts, prepare reports of cash received, and prepare daily reports
- Approve: Review, approve, and sign daily financial reports, and verify that voided original receipts are kept and reviewed

According to staff, proper segregation of duties has not been implemented due to limited staff.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for the numerical sequence of cash receipts, maintaining the inventory log of unused receipts, preparing reports of cash received, and preparing daily reports. In addition, the individuals previously noted should be different from the individual that is responsible for the reviewing, approving, and signing financial reports, and verifying that voided original receipts are kept and reviewed.

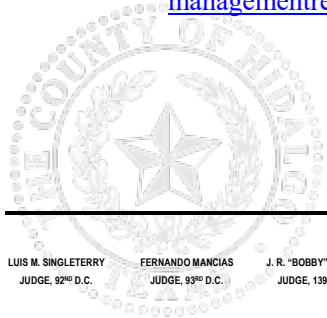
Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, 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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response to the observation noted above on the attached Management Response Form by October 11, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

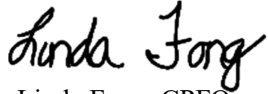


HIDALGO COUNTY DISTRICT JUDGES

Mr. Eduardo Olivarez
September 27, 2023
Page 3 of 3

If you have any questions or would like to schedule a meeting regarding this cash count, please contact Abigail Espinoza, Internal Auditor III, at 318-2511 ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

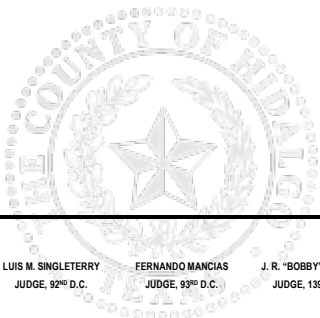
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Dairen Sarmiento, Assistant Director, Hidalgo County Health and Human Services Department



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE:	Hidalgo County McAllen Health Clinic	AUDIT NO.:	2022-570
AUDIT:	Cash Count	MANAGEMENT RESPONSE DUE:	October 6, 2023
FINDING No.:	1	RECOMMENDATION:	1

Management should ensure that incompatible duties are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Management Response (Choose One):

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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



September 27, 2023

Mr. Eduardo Olivarez, Director
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, TX 78539

Re: Cash Count Report No. 2022-571

Dear Mr. Olivarez,

We conducted a surprise cash count of the cash held at the Hidalgo Health Clinic on November 29, 2022 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.

Executive Summary:

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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvements. More specifically, we noted that the Clerk and the Clerk Manager performed incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on May 14, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count totaled \$215.00. Based on the results of the review, we concluded that 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 of \$100.00. However, we noted that improvement has not been made towards resolving the previous observation and the system of internal controls for the collection and safeguarding of cash as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 nd D.C.	FERNANDO MANGIAS JUDGE, 93 rd D.C.	J. R. "BOBBY" FLORES JUDGE, 139 th D.C.	ROSE GUERRA REYNA JUDGE, 206 th D.C.	MARLA CUELLAR JUDGE, 275 th D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 nd D.C.	NOE GONZALEZ JUDGE, 370 th D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 th D.C.	L. KENO VASQUEZ JUDGE, 398 th D.C.	ISRAEL RAMON, JR. JUDGE, 430 th D.C.	RENEE R. BETANCOURT JUDGE, 449 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 th D.C.	YSMAEL FONSECA JUDGE, 476 th D.C.
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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 segregation of duties over the collection and recording of cash requires improvement. The Clerk and the Clerk Manager perform the following incompatible duties:

- Custody: Receive money, issue receipts, balance copies of receipts against the cash drawer, maintain a cash drawer, prepare bank deposits, and have access to the inventory of unused receipts
- Recording: Account for the numerical sequence of cash receipts, maintain the inventory log of unused receipts, and prepare reports of cash received
- Approve: Verify that voided original receipts are reviewed and submitted to the Main Office

According to staff, proper segregation of duties has not been implemented due to limited staff.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for the accounting for the numerical sequence of cash receipts, maintaining the inventory log of unused receipts, and preparing reports of cash received. In addition, the individuals previously noted should be different from the individual that is responsible for verifying that voided original receipts are reviewed and submitted to the Main Office.

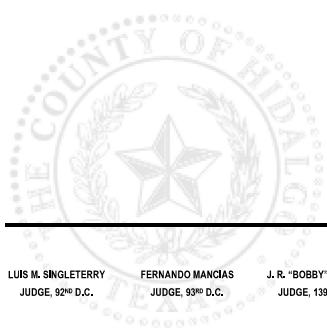
Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, 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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response to the observation noted above on the attached Management Response Form by October 11, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.



HIDALGO COUNTY DISTRICT JUDGES

Mr. Eduardo Olivarez
September 27, 2023
Page 3 of 3

If you have any questions or would like to schedule a meeting regarding this cash count, please contact Abigail Espinoza, Internal Auditor III, at 318-2511 ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

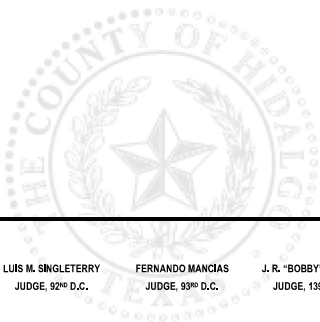
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Dairen Sarmiento, Assistant Director, Hidalgo County Health and Human Services Department



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSÉ "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 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 27, 2023

Mr. Eduardo Olivarez, Director
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, TX 78539

Re: Cash Count Report No. 2022-572

Dear Mr. Olivarez,

We conducted a surprise cash count of the cash held at the Mission Health Clinic on June 29, 2022 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.

Executive Summary:

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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvements. More specifically, we noted that the Clerk and the Clerk Manager performed incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on July 25, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count totaled \$300.00. Based on the results of the review, we concluded that 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 of \$50.00. However, we noted that improvement has not been made towards resolving the previous observation and the system of internal controls for the collection and safeguarding of cash as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:

We noted that segregation of duties over the collection and recording of cash requires improvement. The Clerk and the Clerk Manager perform the following incompatible duties:

- Custody: Receive money, issue receipts, balance copies of receipts against the cash drawer, maintain a cash drawer, prepare bank deposits, and have access to the inventory of unused receipts
- Recording: Account for the numerical sequence of cash receipts, maintain the inventory log of unused receipts, and prepare reports of cash received
- Approve: Verify that voided original receipts are reviewed and submitted to the Main Office

According to staff, proper segregation of duties has not been implemented due to limited staff.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for the numerical sequence of cash receipts, maintaining the inventory log of unused receipts, and preparing reports of cash received. In addition, the individuals previously noted should be different from the individual that is responsible for verifying that voided original receipts are reviewed and submitted to the Main Office.

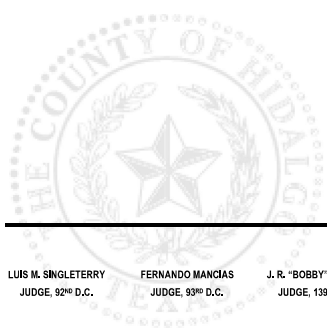
Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, 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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a written management response to the observation noted above on the attached Management Response Form by October 11, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.



HIDALGO COUNTY DISTRICT JUDGES

Mr. Eduardo Olivarez
September 27, 2023
Page 3 of 3

If you have any questions or would like to schedule a meeting regarding this cash count, please contact Abigail Espinoza, Internal Auditor III, at 318-2511 ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

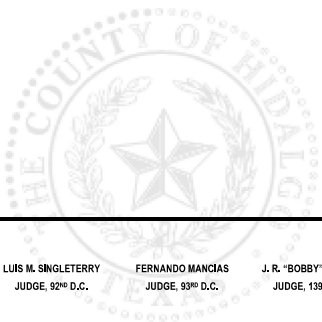
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Dairen Sarmiento, Assistant Director, Hidalgo County Health and Human Services Department



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

October 5, 2023

Mr. Faustino Lopez, Director
Community Supervision and Corrections Department
3100 South Business Highway 281
Edinburg, Tx 78539

Re: Cash Count Report No. 2022-594

Dear Mr. Lopez:

We conducted a surprise cash count of the cash held at the Community Supervision and Corrections Department (CSCD) on October 27, 2022 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund (see Observation No. 1). In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Not all payments are promptly received and deposited
- Forms prescribed by the County Auditor's Office are not used to reconcile collections.
- Manual receipt books are not safeguarded at the County Auditor's Office.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress toward resolving the observations identified in the cash count conducted on December 4, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

Conclusion:

Cash on hand at the time of the cash count totaled \$2,140.25. Based on the results of the review, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$200.00 (see Observation 1). In addition, improvements have not been made towards resolving the prior audit observation as noted 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

Observation No. 1:

Total cash on hand (located in a safe) at the time of the cash count exceeded receipts issued by \$120.25 due to the following:

- A quarter sealed in a First National Bank envelope that was later deposited in December 2022;
- An unsigned money order dated April 2003 in the amount of \$100.00 made payable to Adult Probation in an envelope with a received stamp date of July 16, 2003 and no return address. According to the “service charge” restrictions on the face of the money order, the money order is deemed worthless due to the amount of time that has passed since received. Therefore, an attempt has not been made to deposit the money order;
- A USPS money order dated July 3, 2003 in the amount of \$20.00 made payable to Hidalgo County CSCD in an envelope with a received stamp date of July 8, 2003. The \$100.00 money order was deposited in December 2022; and
- An unsigned check in a Hidalgo County CSCD envelope belonging to Villalobos & Villalobos P.C. that did not contain a written or numeric amount. According to staff, the firm has been notified to pick up the check.

According to the Budget/Fiscal Director, staff was unaware that the items were located in the safe and had not taken action for that reason.

The County Auditor’s Office requires that all payments, including mail-in payments, be promptly recorded and controlled using pre-numbered official County receipts. Collections must be deposited on a daily basis, unless the amount collected is less than \$100.00. In addition, overages should be remitted to the County Treasurer’s Office as miscellaneous revenue. If a payment discrepancy occurs (i.e., lack of information of payor or account to be applied to, account paid in full etc.), a pre-numbered manual official County receipt should be issued and the funds must be deposited. Once the discrepancy is resolved, an official electronic County receipt should be issued. In the alternative, the department may return the payment to the sender, no later than two weeks from the date received, accompanied by a letter indicating why the check was not receipted. If the department returns the payment, a log should be utilized to document the return of check that includes: the name of the person/entity to whom the check is returned; return address; check date; check amount; date returned; and reason for return. A copy of all checks returned should be maintained on file.

Failure to ensure that all payments are promptly receipted and deposited increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that all payments are promptly receipted and deposited. If payments cannot be processed, they should be mailed back to the sender in a timely manner. At a minimum, the procedures noted above should be implemented. Furthermore, the \$100.00 retail money order with no current value should be marked “void.”

Observation No. 2:

We noted that the *Cashier’s Daily Close-out Report* (to be used by the cashier) and *Daily Close-out Report* (to be used by the accountant) (see attached reports) prescribed by the County Auditor’s Office are not used. Instead, a *Daily Money Recap* form prescribed by CSCD is used by the cashier to document the cash received. The *Daily Money Recap* form does not document the reconciliation of credit card and cash collections to receipts issued.

According to staff, the accountant reconciles all collections including credit card collections for all users as part of the daily reconciliation process; however, the reconciliation is not formally documented. In addition, the reconciliation is done after the deposit has been prepared.

The *Daily Money Recap* form was revised to include credit card collections; however, the *Daily Money Recap* form still does not document the reconciliation of credit card and cash collections to receipts issued. According to management, the *Daily Money Recap* form is sufficient to reconcile daily collections.

The County Auditor's Office requires that cashiers reconcile all collections to receipts issued and the approved change fund, if any, on a daily basis by utilizing the *Cashier's Daily Close-out Report*.

Failure to ensure that the reconciliation of all collections is properly documented may increase the risk that discrepancies between actual collections and recorded amounts are not discovered in a timely manner.

Recommendation:

Management should ensure that the *Cashier's Daily Close-out Report* is used to reconcile collections. At a minimum, the *Daily Money Recap* form, prescribed by CSCD, should be revised to document the reconciliation of credit card and cash collections to receipts issued.

Repeat Observation No. 1:

We noted that manual receipt book orders are not delivered by the vendor to the County Auditor's Office for proper safeguarding. According to Budget/Fiscal Director, receipt books have always been delivered to the CSCD for safeguarding and are properly secured in the office. They are kept under lock and key and a log of books used and issued for the court service location is maintained by a clerk. In addition, receipt books are easily accessible in the event that the computer system goes down.

The County Auditor's Office requires that manual receipt books ordered by departments be delivered by the vendor to the County Auditor's Office for proper safeguarding. The manual receipt books will be issued to the departments by the County Auditor's Office as needed.

Failure to ensure that manual receipt books are delivered by the vendor to the County Auditor's Office for proper safeguarding may increase the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that manual receipt books are delivered by the vendor to the County Auditor's Office for proper safeguarding.

Please provide a management response to the observations noted above by October 19, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to meet regarding this cash count, please contact Abigail Espinoza, MSA, Internal Auditor III, at ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, MACC, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,


Linda Fong, CPFC

Interim County Auditor

Enclosure: *Cashier's Daily Close-out Report*; *Daily Close-out Report*; and Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Rosario Ramirez-Castilleja, Budget/Fiscal Director, CSCD

HIDALGO COUNTY DISTRICT JUDGES

**COUNTY OF HIDALGO, TEXAS
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
MAIN OFFICE
CASHIER'S DAILY CLOSE-OUT REPORT**

Cashier's Name: _____

Today's Date: _____ Collections for Date: _____

Time Started: _____ Time Completed: _____

PART I: RECAP OF COLLECTION FROM BALANCE REPORT

TOTAL CASH COLLECTED PER RECEIPT COPY/IES \$ _____

*ATTACH CSS DAILY RECEIPT REPORT FOR CASHIER

PART II: CASH ON HAND BY ACTUAL COUNT

A.) TOTAL MONEY ORDERS \$ _____

B.) TOTAL IN-HOUSE CREDIT/DEBIT CARDS - CSS \$ _____

C.) TOTAL IN-HOUSE CREDIT/DEBIT CARDS - EZ-Net \$ _____

D.) TOTAL ONLINE CREDIT/DEBIT CARDS - EZ-Net \$ _____

E.) CURRENCY F.) COINS

_____	ONES	\$ _____
_____	FIVES	_____
_____	TENS	_____
_____	TWENTIES	_____
_____	FIFTIES	_____
_____	HUNDREDS	_____
_____	OTHER	_____

_____	PENNIES	\$ _____
_____	NICKELS	_____
_____	DIMES	_____
_____	QUARTERS	_____
_____	HALF DOLLARS	_____
_____	SILVER DOLLARS	_____

TOTAL \$ _____

TOTAL \$ _____

TOTAL FUNDS RECEIVED: ADD (A) through (F) \$ _____

VARIANCE: OVERAGE/ (SHORTAGE) (PART II - PART I) \$ _____

COMMENTS: _____

PART III: ACKNOWLEDGMENT AND APPROVAL

CHANGES IN MONEY COUNT MUST BE INITIALED BY BOTH PARTIES

I have counted and acknowledge receipt of all cash collected: _____
Sign/Date

Verified By: _____ Time/Date: _____

Witnessed By: _____ Time/Date: _____

\$100.00 CHANGE FUND VERIFIED: Please Circle One Yes No

If yes, Verified By: _____

**COUNTY OF HIDALGO, TEXAS
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
DAILY CLOSE-OUT REPORT
ADULT PROBATION MAIN OFFICE**

DATE OF COLLECTION: _____

Date/Time Started: _____ Date/Time Completed: _____

PART I: RECAP OF RECEIPTS FROM BALANCE REPORT

TOTAL CASH COLLECTED (RECEIPT # _____ THROUGH # _____) \$ _____

*ATTACH CSS DAILY RECEIPT REPORT

PART II: CASH ON HAND BY ACTUAL COUNT

- A.) TOTAL MONEY ORDERS* \$ _____
- B.) TOTAL CREDIT/DEBIT CARD TRANSACTIONS (In House): CSS \$ _____
- C.) TOTAL CREDIT/DEBIT CARD TRANSACTIONS (In House): EZ-Net \$ _____
- D.) TOTAL CREDIT/DEBIT CARD TRANSACTIONS (Online): CSS \$ _____
- E.) TOTAL CREDIT/DEBIT CARD TRANSACTIONS (Online): EZ-Net \$ _____
- F.) CURRENCY
- G.) COINS

_____ ONES \$ _____ _____ FIVES _____ _____ TENS _____ _____ TWENTIES _____ _____ FIFTIES _____ _____ HUNDREDS _____ _____ OTHER _____ TOTAL: \$ _____	_____ PENNIES \$ _____ _____ NICKELS _____ _____ DIMES _____ _____ QUARTERS _____ _____ HALF DOLLARS _____ _____ SILVER DOLLARS _____ TOTAL: \$ _____
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TOTAL FUNDS RECEIVED: ADD (A) through (G) _____

VARIANCE: OVER/SHORT (PART II - PART I) \$ _____

*ATTACH TAPE OR LIST OF MONEY ORDERS

COMMENTS: _____

PART III: ACKNOWLEDGMENT AND APPROVAL

I have counted and acknowledge receipt of all cash collected.

COUNTED BY: _____ SIGNATURE
 _____ DATE
 WITNESSED BY: _____ SIGNATURE
 _____ DATE

Validated deposit slip was verified to cash fund report by: _____
 _____ DATE

Any variance must be immediately reconciled and brought to the attention of the County Auditor - Internal Audit Division. When a variance occurs, submit a properly reconciled copy of this form and copies of the correlating validated deposit slip, to the County Auditor - Internal Audit Division.

DATE APPROVED _____

APPROVED BY CSCD DIRECTOR/DESIGNEE _____

PART IV: SUMMARY OF DEPOSITS

TOTAL FUNDS RECEIVED \$ _____

LESS: TOTAL CREDIT/DEBIT CARD TRANSACTIONS (In House/Online) _____

TOTAL TO BE DEPOSITED TO CSCD TRUST BANK ACCOUNT \$ _____

Deposit Slip No. [] Prepared By: []

*ATTACH VALIDATED DEPOSIT SLIP & DAILY RECEIPT REPORT

TOTAL \$200.00 APPROVED CHANGE FUND VERIFIED: Please Circle One Yes No

If yes, Verified By: _____

NOTE: This report must be submitted to the Auditor's Office along with validated deposit slip on a monthly basis with the financials.



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

AUDITEE: Community Supervision and
Corrections Department **AUDIT NO.:** 2022-594

AUDIT: Cash Count **MANAGEMENT
RESPONSE DUE:** October 19, 2023

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

Management should ensure that all payments are promptly received and deposited. If payments cannot be processed, they should be mailed back to the sender in a timely manner. At a minimum, the procedures noted in the observation should be implemented. Furthermore, the \$100.00 retail money order with no current value should be marked "void."

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



EDINBURG, TEXAS 78539

September 27, 2023

Ms. Hilda Ann Salinas, Elections Administrator
Hidalgo County Elections Department
213 S. Closner Blvd.
Edinburg, Texas 78539

Re: Cash Count Report No. 2022-596

Dear Ms. Salinas:

We conducted a surprise cash count of the cash held at the Elections Department on August 17, 2022 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.

Executive Summary:

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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvements. More specifically, we noted that the Accounting Clerk and the Elections Surveyor performed incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$15,714.70. Based on the results of the review, we concluded that 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 of \$50.00; however, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:

We noted that segregation of duties over the collection and recording of cash requires improvement. The Accounting Clerk performs the following incompatible duties:

- Custody: Prepares bank deposits/remittances, has access to the inventory of unused receipts, responsible for the collection of returned checks
- Recording: Accounts for the numerical sequence of cash receipts, records receipts in a cash received journal/log, prepares billings and follows up on delinquencies, prepares reports of cash received, and prepares monthly reports
- Approval: Compares listed mail receipts to recorded cash receipts, verifies that voided original receipts are kept and reviewed

The Elections Surveyor performs the following incompatible duties:

- Custody: Prepares bank deposits/remittances
- Recording: Prepares reports of cash received, and prepares monthly reports

According to staff, proper segregation of duties has not been implemented due to limited staff.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 preparing bank deposits/remittances, having access to the inventory of unused receipts, and responsible for the collection of returned checks should be different from the individual responsible for accounting for the numerical sequence of cash receipts, recording receipts in the cash received journal/log, preparing billings and following up on delinquencies, preparing reports of cash received, and preparing monthly reports. In addition, the individuals previously noted should be different from the individual that is responsible for comparing listed mail receipts to recorded cash receipts and verifying that voided original receipts are kept and reviewed.

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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response to the observation noted above on the attached Management Response Form by October 11, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

HIDALGO COUNTY DISTRICT JUDGES

Ms. Hilda Ann Salinas
September 27, 2023
Page 3 of 3

If you have any questions or would like to schedule a meeting regarding this cash count, please contact Abigail Espinoza, Internal Auditor III, at 318-2511 ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

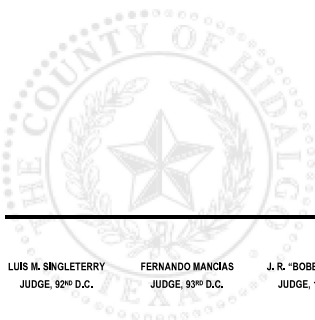
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Melissa Alvarez, Assistant Director, Hidalgo County Elections Department



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 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 27, 2023

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

Re: Cash Count Report No. 2022-597

Dear Ms. Hinojosa:

We conducted a surprise cash count of the cash held at your office on October 25, 2022 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

Based on the review, we concluded that cash on hand generally did reconcile 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 our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$4,646.21. Based on the results of the review, we concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$450.00.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.

The Honorable Laura Hinojosa
September 27, 2023
Page 2 of 2

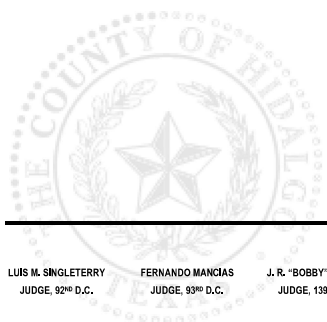
If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Edgar A. Escobedo, Internal Auditor III, at ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,



Linda Fong, CPFO
Interim County Auditor

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Sabrina Guerra, Accountant IV, District Clerk's Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 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

October 13, 2023

Honorable Arturo Guajardo, Jr., County Clerk
Hidalgo County Clerk's Office
100 N. Clossner, 1st Floor
Edinburg, Tx 78539

Re: Cash Count Report No. 2022-582

Dear Mr. Guajardo:

We conducted a surprise cash count of the cash held at the Hidalgo County Clerk's Recording and Official Records and Vital Statistics Departments on August 23, 2022 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 approved change fund.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund (see Observation No. 1). In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Mail-in payments are not promptly receipted; and
- Employees involved in the cash handling process are not required to read, sign, and acknowledge the County Auditor's Office prescribed "Cash Handling Guidelines and Procedures"

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress toward resolving the observations identified in the cash count conducted on June 11, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all inclusive of areas where improvement could be made.

Conclusion:

Cash on hand at the time of the cash count totaled \$58,815.75. Based on the results of the review, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund (see Observation 1). In addition, improvements have not been made towards resolving the repeat observation noted below.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANCIAS JUDGE, 93rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. MARLA CUELLAR JUDGE, 275th D.C. MARIO E. RAMIREZ, JR. JUDGE, 332nd D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476th D.C.

Observation No 1:

At the time of the cash count, cash on hand did not reconcile to the total receipts issued. Cash on hand had an overage of \$581.00. The variance consisted of 7 mail-in payments totaling \$581.00 that had not been receipted at the time of the cash count. All 7 mail-in payments were subsequently receipted after the cash count was performed. According to staff, mail-in payments are receipted when the Clerks are not attending customers.

The County Auditor's Office requires that all payments, including mail-in payments, be promptly recorded and controlled using pre-numbered official County receipts.

Failure to ensure that all payments are promptly receipted and deposited increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that all payments are promptly receipted and deposited. If payments cannot be processed, they should be mailed back to the sender in a timely manner.

Repeat Observation No. 1:

We noted that the County Clerk's Office did not require employees to read the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office. According to the Division Manager, in September 2023, staff that are part of the daily cash handling process were instructed to read the "Cash Handling Guidelines and Procedures" and sign the acknowledgment forms.

The County Auditor's Office requires that departments train all employees responsible for handling cash regarding proper cash handling procedures. The employees handling cash must read the "Cash Handling Guidelines and Procedures" and sign a receipt acknowledging their understanding of these guidelines and procedures. The acknowledgment receipt should be kept on file.

Failure to ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the "Cash Handling Guidelines and Procedures" increases the risk of loss or misuse of County funds.

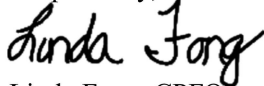
Recommendation:

Management should ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the "Cash Handling Guidelines and Procedures." In addition, the forms should be maintained on file for all employees and a copy should be forwarded to the County Auditor's Office.

Please provide a management response to the observations noted above by October 30, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact Araceli A. Guillen, Internal Auditor III, at ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, 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
Interim County Auditor

Enclosures: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Annette Muniz, Chief Deputy, County Clerk's Office

HIDALGO COUNTY DISTRICT JUDGES



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

AUDITEE: Hidalgo County Clerk
(Recording Location) **AUDIT NO.:** 2022-582

AUDIT: Cash Count **MANAGEMENT**
FINDING/ **RESPONSE DUE:** October 30, 2023
OBSERVATION

No.: 1 **RECOMMENDATION:** 1

Management should ensure that all payments are promptly receipted and deposited. If payments cannot be processed, they should be mailed back to the sender in a timely manner.

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:** _____



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

AUDITEE: Hidalgo County Clerk
(Recording Location) **AUDIT NO.:** 2022-582

AUDIT: Cash Count **MANAGEMENT**
FINDING/ **RESPONSE DUE:** October 30, 2023
OBSERVATION

No.: Repeat 1 **RECOMMENDATION:** Repeat 1

Management should ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the "Cash Handling Guidelines and Procedures." In addition, the forms should be maintained on file for all employees and a copy should be forwarded to the County Auditor's Office.

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



EDINBURG, TEXAS 78539

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

October 30, 2023

Honorable Arturo Guajardo, Jr., County Clerk
Hidalgo County Clerk's Office
100 N. Clossner, 1st Floor
Edinburg, TX 78539

Re: Cash Count Report No. 2022-583

Dear Mr. Guajardo:

We conducted a surprise cash count of the cash held at the Hidalgo County Clerk's Collections Department on November 8, 2022, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

Based on the cash count, we concluded that 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. However, improvements have not been made towards resolving prior audit observations as noted below:

- Employees involved in the cash handling process are not required to read, sign, and acknowledge the County Auditor's Office prescribed "Cash Handling Guidelines and Procedures."
- Daily cash reconciliations are not documented on the *Cashier's Daily Close-out Report*.
- A "hot check" listing is not referenced when receiving checks from customers

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on July 14, 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.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Cash on hand at the time of the cash count totaled \$5,740.10. Based on the results of our review, we concluded that 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 of \$300.00; however, improvements have not been made towards resolving prior audit observations as noted below.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Repeat Observation No. 1:

We noted that at the time of the cash count, the County Clerk's Office did not require employees to read the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office. In September 2023, the Division Manager indicated that staff that is part of the daily cash handling process was instructed to read the "Cash Handling Guidelines and Procedures" and copies of the signed receipt acknowledgment forms would be submitted to the County Auditor's Office. However, as of today, we have not received copies of the signed receipt acknowledgment forms.

The County Auditor's Office prescribed the "Cash Handling Guidelines and Procedures" as minimum requirements. The employees handling cash must read the "Cash Handling Guidelines and Procedures" and sign a receipt acknowledging their understanding of these guidelines and procedures. The acknowledgment receipt should be kept on file by the department.

Failure to ensure that staff is trained on the minimum requirements established by the County Auditor's Office "Cash Handling Guidelines and Procedures" increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the "Cash Handling Guidelines and Procedures." In addition, the forms should be maintained on file for all employees and a copy should be forwarded to the County Auditor's Office.

Repeat Observation No. 2:

We noted that daily cash reconciliations are not documented on the *Cashier's Daily Close-out Report* (Close-out Report). Instead, cash on hand is reconciled to receipts issued and the change fund on a daily basis by generating a Till Balance Report from Odyssey and by running a tape to confirm collections. However, the amount of cash, checks/money orders, and credit card collections, the beginning and ending receipt numbers and the signatures of the cashier and witness are not documented. According to the Division Manager, there is sufficient checks and balances. The collections are accounted for at least two times before submitting the collections to the Main Office and then accounted for a third time during the reconciliation process.

The County Auditor's Office requires that cash on hand be reconciled to receipts issued and the change fund on a daily basis utilizing the Close-out Report. The following procedures should be implemented consistently when preparing the Close-out Report:

1. The Cashier must count the money and record the appropriate amounts on the Close-out Report.
2. The Witness must generate a daily recap report of collections issued for the day and record the total and beginning and ending receipt numbers on the Close-out Report.
3. The Witness must confirm that the amount recorded by the Cashier agrees to the daily recap report of collections and the change fund, if any. Any variances must be noted with a detailed explanation.
4. Both the Cashier and the Witness must verify that the Close-out Report is completed in its entirety. Both the Cashier and Witness must sign the Close-out Report to document their responsibility for this verification.
5. Copies of the Close-out Report and checks/money orders/cashier's checks etc., shall be maintained by the department. This documentation shall be made available to the County Auditor's Office for review upon request.

Daily close-out procedures documented on the Close-out Report help to uncover discrepancies between actual cash collected and recorded amounts in a timely manner.

HIDALGO COUNTY DISTRICT JUDGES

Recommendation:

Management should ensure that the daily cash reconciliation is documented by the cashiers on the Close-out Report. At a minimum, management should ensure that all required information as noted above is documented on the till balance report.

Repeat Observation No. 3:

We noted that a listing of the names of customers whose checks have been returned by the bank (“hot checks”) due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds was not maintained. According to the Division Manager, a hot check listing is maintained at the Main Office, however, this listing has not been provided to the Collections Office.

The County Auditor’s Office requires that a listing of the names of customers whose checks have been returned by the bank (“hot checks”) due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to maintain a hot check list may increase the risk that a check is collected from a customer who has previously presented a “hot check” as payment.

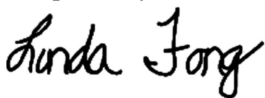
Recommendation:

Management should ensure that the “hot check” listing is provided to the Collections Office. The “hot check” listing should be referenced when receiving checks from customers.

Please provide a management response to the observations noted above by November 14, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Gricelda Quintero, Internal Auditor III, at (956) 318-2511, ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

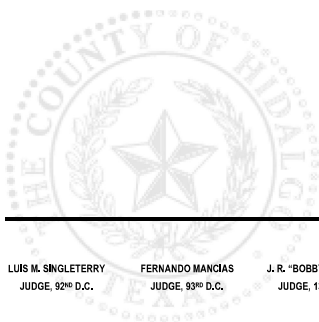
Respectfully,



Linda Fong, CPFO
Interim Hidalgo County Auditor

Enclosures: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Annette Muniz, Chief Deputy, County Clerk
Berenize Alvarado, Division Manager, County Clerk
Ernest Gonzalez, Collections Supervisor, County Clerk



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.



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

AUDITEE: County Clerk (Collections Department) **AUDIT NO.:** 2022-583

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** November 14, 2023

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

Management should ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the "Cash Handling Guidelines and Procedures." In addition, the forms should be maintained on file for all employees and a copy should be forwarded to the County Auditor's Office.

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:** _____



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

AUDITEE: County Clerk (Collections Department) **AUDIT NO.:** 2022-583

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** November 14, 2023

FINDING No.: Repeat 3 **RECOMMENDATION:** Repeat 3

Management should ensure that the “hot check” listing is provided to the Collections Office. The “hot check” listing should be referenced when receiving checks from customers.

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

October 6, 2023

Honorable Arturo Guajardo, Jr., County Clerk
Hidalgo County Clerk's Office
100 N. Closner, 1st Floor
Edinburg, TX 78539

Re: Cash Count Report No. 2022-585

Dear Mr. Guajardo:

We conducted a surprise cash count of the cash held at the Hidalgo County Clerk's Main Office on September 22, 2022 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.

Executive Summary:

Based on the cash count, we concluded that 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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- A "hot check" listing is not referenced when receiving checks from customers;
- Employees involved in the cash handling process are not required to read, sign, and acknowledge the County Auditor's Office prescribed "Cash Handling Guidelines and Procedures";
- Bookkeepers perform incompatible duties; and
- Texas Parks and Wildlife wire transfers are not properly executed.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress toward resolving the findings identified in the cash count conducted on November 6, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded,

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 nd D.C.	FERNANDO MANCIAS JUDGE, 93 rd D.C.	J. R. "BOBBY" FLORES JUDGE, 139 th D.C.	ROSE GUERRA REYNA JUDGE, 206 th D.C.	MARLA CUELLAR JUDGE, 275 th D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 nd D.C.	NOE GONZALEZ JUDGE, 370 th D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 th D.C.	L. KENO VASQUEZ JUDGE, 398 th D.C.	ISRAEL RAMON, JR. JUDGE, 430 th D.C.	RENEE R. BETANCOURT JUDGE, 449 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 th D.C.	YSMAEL FONSECA JUDGE, 476 th D.C.
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and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count totaled \$112,984.71. Based on the cash count, we concluded that the 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 of \$550.00; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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 a listing of the names of customers whose checks have been returned by the bank (“hot checks”) due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds has not been maintained.

The County Auditor’s Office requires that a listing of the names of customers whose checks have been returned by the bank (“hot checks”) due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to maintain a hot check list may increase the risk that a check is collected from a customer who has previously presented a “hot check” as payment.

Recommendation:

Management should ensure that the “hot check” listing is referenced when receiving checks from customers. A “hot check” listing should be requested from the County Treasurer’s Office.

Repeat Observation No. 1:

We noted that segregation of duties over the collection and recording of cash requires improvement. In addition, compensating controls to cover the lack of basic internal controls have not been implemented. The Bookkeepers perform the following incompatible duties:

- Custody: Receive collections, issue receipts, open and list mail receipts, balance copies of receipts issued to the cash drawer, maintain the cash drawer, prepare bank deposits, have access to inventory of unused cash receipts, collect returned checks (NSF), prepare checks for cash disbursements, and have access to blank checks
- Recording: Account for numerical sequence of cash receipts, record receipts in cash received journal, maintain inventory log of unused cash receipts, take inventory of and order blank checks, record disbursements in cash disbursement journal, post to receivables, have ability to write off receivables, and prepare reports of cash received
- Authorization: Compare listed mail receipts to recorded cash receipts, compare bank deposit receipts to remittance forms, and verify that voided original receipts are kept and reviewed.

According to staff, the Bookkeepers are cross-trained to cover for unavailable staff.

Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 the assets, recording transactions, and authorization. The individual responsible for receiving

HIDALGO COUNTY DISTRICT JUDGES

collections, issuing receipts, opening and listing mail receipts, balancing copies of receipts issued to the cash drawer, maintaining the cash drawer, preparing bank deposits, having access to inventory of unused cash receipts, collecting returned checks (NSF), preparing checks for cash disbursements, and having access to blank checks should be different from the individual responsible for accounting for numerical sequence of cash receipts, recording receipts in cash received journal, maintaining inventory log of unused cash receipts, taking inventory of and ordering blank checks, recording disbursements in cash disbursement journal, posting to receivables, having ability to write off receivables, and preparing reports of cash received. In addition, the individuals previously noted should be different from the individual responsible for comparing listed mail receipts to recorded cash receipts, comparing bank deposit receipts to remittance forms, and verifying that voided original receipts are kept and reviewed.

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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Repeat Observation No. 2:

We noted that the County Clerk’s Office did not require employees to read the “Cash Handling Guidelines and Procedures” prescribed by the County Auditor’s Office. According to the Division Manager, as of September 2023, staff that are part of the daily cash handling process have been asked to read the “Cash Handling Guidelines and Procedures” and sign the acknowledgment forms.

The County Auditor’s Office requires that departments train all employees responsible for handling cash regarding proper cash handling procedures. The employees handling cash must read the “Cash Handling Guidelines and Procedures” and sign a receipt acknowledging their understanding of these guidelines and procedures. The acknowledgment receipt should be kept on file.

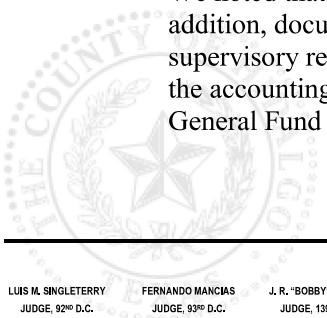
Failure to ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the “Cash Handling Guidelines and Procedures” increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the “Cash Handling Guidelines and Procedures.” In addition, the forms should be maintained on file and a copy should be forwarded to the County Auditor’s Office.

Repeat Observation No. 3:

We noted that Texas Parks and Wildlife wire transfers are made without obtaining supervisory approval. In addition, documentation detailing the amount, purpose, and destination of the wire is not presented for supervisory review. Furthermore, the employee who executes the wire transfers also reconciles the cash per the accounting records to the bank statements. According to staff, transfers are only made to the County’s General Fund Account.



HIDALGO COUNTY DISTRICT JUDGES

The County Auditor's Office requires that all wire transfers be made after approval is granted by the Department Head or his designee. Before supervisory approval is granted, documentation must be provided detailing the amount, purpose and destination of the wire. In addition, the transmitting bank is required, prior to executing the wire, to confirm the amount and destination of the wire transfer by calling a person independent of the employee requesting the transfer. Furthermore, the employee who executes the wire transfers should not prepare or post journal entries nor reconcile the accounting records to the bank statements.

Failure to properly execute a wire transfer may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that wire transfers are properly executed. At a minimum, the procedures noted above should be implemented.

Please provide a management response to the observations noted above by October 23, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact Araceli A. Guillen, Internal Auditor III, at ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

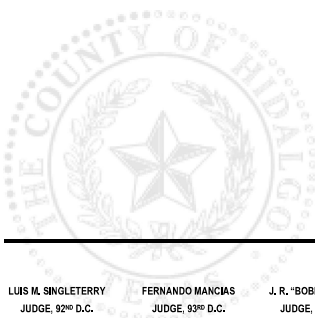
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Annette Muniz, Chief Deputy, Hidalgo County Clerk's Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: Hidalgo County Clerk **AUDIT NO.:** 2022-585

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** October 23, 2023

**FINDING/
OBSERVATION**
No.: 1 **RECOMMENDATION:** 1

Management should ensure that the “hot check” listing is referenced when receiving checks from customers. A “hot check” listing should be requested from the County Treasurer’s Office.

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:** _____



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

AUDITEE: Hidalgo County Clerk **AUDIT NO.:** 2022-585

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** October 23, 2023

**FINDING/
OBSERVATION**
No.: Repeat 1 **RECOMMENDATION:** Repeat 1

Management should ensure that incompatible duties are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are 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:** _____



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

AUDITEE: Hidalgo County Clerk **AUDIT NO.:** 2022-585

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** October 23, 2023

**FINDING/
OBSERVATION**
No.: Repeat 2 **RECOMMENDATION:** Repeat 2

Management should ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the "Cash Handling Guidelines and Procedures." In addition, the forms should be maintained on file and a copy should be forwarded to the County Auditor's Office.

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:** _____



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

AUDITEE: Hidalgo County Clerk **AUDIT NO.:** 2022-585

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** October 23, 2023

**FINDING/
OBSERVATION**
No.: Repeat 3 **RECOMMENDATION:** Repeat 3

Management should ensure that wire transfers are properly executed. At a minimum, the procedures noted in the observation should be implemented.

Management Response (Choose One):

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

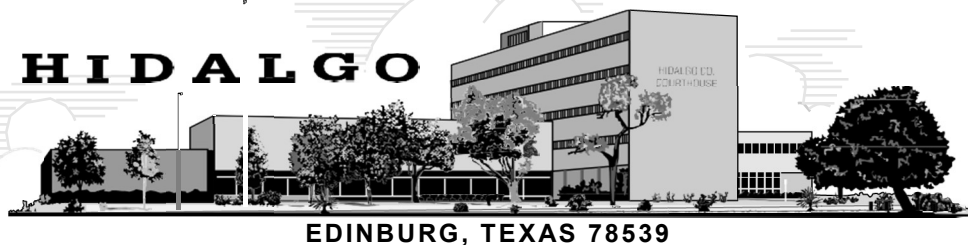
Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY *of* HIDALGO

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



October 3, 2023

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

Re: Cash Count Report No. 2022-574

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Pharr Tax Office on July 21, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

Based on the review, we concluded that 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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that the Head Cashier performed incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on June 6, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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Conclusion:

Total cash on hand at the time of the cash count was \$10,965.95. Based on the results of the review, we concluded that 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 of \$300.00; however, the system of internal controls for the collection and safeguarding of cash requires improvements as noted in the following observation.

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 segregation of duties over the collection and recording of cash requires improvement. The Head Cashier performs the following incompatible duties:

- Custody: Balances copies of receipts against the cash drawer, maintains a cash drawer (main till), and prepares bank deposits
- Recording: Prepares reports of cash received
- Approval: Verifies that voided original receipts are reviewed and submitted to the Main Office

According to staff, the substation reports prepared of cash received are reviewed by the Main Office; however, the reports are not signed by anyone at the Main Office to acknowledge the review and approval of the reports.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 balancing copies of receipts against the cash drawer, maintaining a cash drawer, and preparing bank deposits should be different from the individual responsible for preparing reports of cash received. In addition, the individuals previously noted should be different from the individual that is responsible for verifying that voided original receipts are kept and reviewed.

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 compensating controls are adequately implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that compensating controls are adequately implemented. At a minimum, the supervisor at the Main Office who is reviewing the reports of cash received should sign the reports to acknowledge the review and approval of the cash reports.

HIDALGO COUNTY DISTRICT JUDGES

The Honorable Pablo "Paul" Villarreal Jr.
October 3, 2023
Page 3 of 3

Please provide a management response to the observation noted above by October 17, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Abigail Espinoza, Internal Auditor III, at (956) 318-2511, ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4651, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

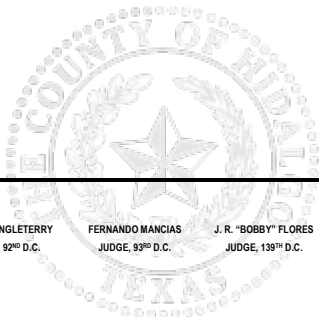
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief of Operations, Tax Office
Joel Valdez, Substation Supervisor, Tax Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 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

October 3, 2023

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

Re: Cash Count Report No. 2022-575

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Weslaco Tax Office on August 15, 2022 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund. See Observation No. 1 below.

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.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Cash on hand at the time of the cash count totaled \$14,928.94. Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$1,200.00.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 nd D.C.	FERNANDO MANCIAS JUDGE, 93 rd D.C.	J. R. "BOBBY" FLORES JUDGE, 139 th D.C.	ROSE GUERRA REYNA JUDGE, 206 th D.C.	MARLA CUELLAR JUDGE, 275 th D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 nd D.C.	NOE GONZALEZ JUDGE, 370 th D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 th D.C.	L. KENO VASQUEZ JUDGE, 398 th D.C.	ISRAEL RAMON, JR. JUDGE, 430 th D.C.	RENEE R. BETANCOURT JUDGE, 449 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 th D.C.	YSMAEL FONSECA JUDGE, 476 th D.C.
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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:

Total cash on hand at the time of the cash count was over \$4.19 which was attributed to unidentified overages left in the cash drawers of 3 cashiers who did not have collections for the day. The overages were part of the cashiers assigned change fund. In addition, there was an unidentified shortage of \$3.05 for the prior day collections. According to the Supervisor, cashiers should verify that they are receiving the proper change fund amount prior to taking in payments.

The County Auditor's Office requires that cashiers reconcile the cash drawer against receipts issued and the change fund on a daily basis. Overages should be deposited and transferred to the County Treasurer to be receipted as miscellaneous revenue. Shortages should be monitored to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action.

Failure to ensure that cash drawers are properly reconciled against receipts issued and the change fund assigned to each cashier may result in the loss of County funds.

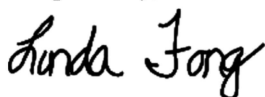
Recommendation:

Management should ensure that cashiers are properly accounting for change funds prior to taking in payments. Overages should be deposited and transferred to the County Treasurer and shortages should be monitored.

Please provide a management response to the observation noted above by October 18, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Marissa Castillo, Internal Auditor IV, at (956) 318-2511 ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642 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 Interim County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief of Operations, Tax Office
Lucy Flores, Substation Supervisor, Tax Office

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



EDINBURG, TEXAS 78539

October 3, 2023

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

Re: Cash Count Report No. 2022-577

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Alamo Tax Office on October 18, 2022, 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.

Executive Summary:

Based on the review, we concluded that 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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that certain required notices were not posted in a place visible to the public.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate your office's progress towards resolving the observation identified in the cash count conducted on December 5, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss for unauthorized use and that only authorized transactions were completed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our audit included but were not limited to the following; custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count totaled \$2,405.48. Based on results of the review, we concluded that 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 of \$500.00; however, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:

We noted that the notice stating "Make sure you receive an official county receipt when making payments at this office," along with a sample receipt issued by the department, was not posted in a place visible to the public near cashiers. In addition, a notice stating that an area is being monitored by a security camera was not posted at the entrance to the area being monitored. According to the substation supervisor, all notices were posted for the public's view; however, when the office temporarily closed for several months, employees from Precinct 2 removed and discarded the notices without notifying them.

The County Auditor's Office requires that a notice stating "Make sure you receive an official county receipt when making payments at this office," along with a sample of each official County receipt issued by the department, be posted in a place visible to the public near cashiers. In addition, all areas being monitored are required to have a notice stating that the "Area is being monitored by a security camera." The notice should be posted at the entrance to the area being monitored.

Failure to ensure that the notices are posted increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that the notice stating "Make sure you receive an official county receipt when making payments at this office," along with a sample official County receipt, is posted in an area visible to the public near the cashiers. Please contact the County Auditor's Office to obtain a poster of this notice. In addition, management should ensure that the notice stating that the "Area is being monitored by a security camera" is posted at the entrance to the area being monitored.

Please provide a management response to the observation noted above by October 18, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Marissa Castillo, Internal Auditor IV, at (956) 318-2511 ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit, ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

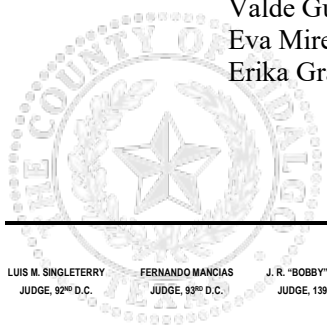
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Form

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief Deputy, Tax Office
Erika Gracia, Substation Supervisor, Tax Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH 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

October 2, 2023

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

Re: Cash Count Report No. 2022-578

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the San Juan Tax Office on July 1, 2022, 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.

Executive Summary:

Based on the review, we concluded that 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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that identification is not requested by cashiers to verify information on the check prior to accepting a check for payment.

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.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 nd D.C.	FERNANDO MANGIAS JUDGE, 93 rd D.C.	J. R. "BOBBY" FLORES JUDGE, 139 th D.C.	ROSE GUERRA REYNA JUDGE, 206 th D.C.	MARLA CUELLAR JUDGE, 275 th D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 nd D.C.	NOE GONZALEZ JUDGE, 370 th D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 th D.C.	L. KENO VASQUEZ JUDGE, 398 th D.C.	ISRAEL RAMON, JR. JUDGE, 430 th D.C.	RENEE R. BETANCOURT JUDGE, 449 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 th D.C.	YSMAEL FONSECA JUDGE, 476 th D.C.
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Conclusion:

Total cash on hand at the time of the cash count totaled \$35,905.86. Based on the review, we concluded that total cash on hand reconciled to total receipts issued for the day up to the time of the cash count and the approved change fund of \$500.00; however, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

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:

According to staff, cashiers do not request identification to verify the information on the check prior to accepting a check for payment. According to the Deputy Clerk II, identification for verification of information is not requested due to office policy.

The County Auditor's Office requires cashiers to verify the information on the check prior to accepting a check for payment.

Failure to ensure that cashiers verify the information on the check prior to accepting a check for payment increases the risk of accepting a forged or stolen check which may result in a loss of County funds.

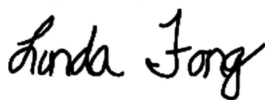
Recommendation:

Management should ensure that cashiers request identification in order to verify the information on the check prior to accepting payment.

Please provide a management response to the observation noted above by October 17, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Marissa Castillo, Internal Auditor III, at (956) 318-2511, ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

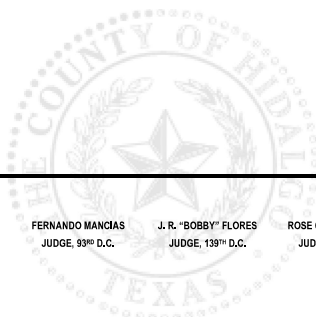
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosure: Management Response Form

cc: The Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief of Operations, Tax Office
Crystal Puente, Chief Accountant, Tax Office



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

October 3, 2023

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

Re: Cash Count Report No. 2022-579

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Mission Tax Office on September 27, 2022, 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.

Executive Summary:

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.

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.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count totaled \$54,426.49. Based on the review, we concluded that 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 of \$300.00.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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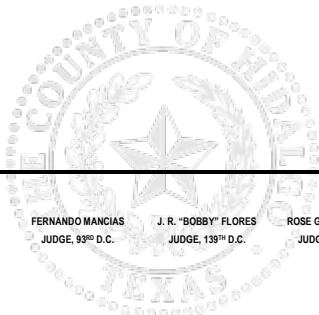
If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Marissa Castillo, Internal Auditor IV, at (956) 318-2511, ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,



Linda Fong, CPFO
Interim County Auditor

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief Deputy, Tax Office
Anna Garcia, Substation Supervisor, Tax Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

October 13, 2023

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

Re: Cash Count Report No. 2022-580

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Elsa Tax Office on December 12, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand generally reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- The "Silverbox" software used to record drop box payments was not used on a daily basis and does not record all the required information
- The Office Supervisor and Deputy Clerk II performed incompatible duties

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on September 19, 2019. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Cash on hand at the time of the cash count totaled \$35,717.84. Based on the cash count, we concluded that total cash on hand generally reconciled to the total receipts issued for the day up to the time of the cash count

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 475TH D.C.

and the approved change fund of \$700.00; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the observations below. Furthermore, we noted that an observation noted in the previous cash count has not been resolved.

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:

The Elsa Tax Office implemented a digital log software ("SilverBox") to manage and record payments received in the drop box instead of using a manual log to record drop box payments. We noted that the digital log was not used on a daily basis. In addition, the digital log does not record the receipt date, receipt number, and the signature of the employee responsible for verifying that an official County receipt was issued for the drop-off payments. According to staff, the digital log was not used on a daily basis, in error. In addition, the software does not have fields for recording the receipt date, receipt number, or a digital signature.

The County Auditor's Office requires that drop box payments be recorded on a log to maintain an adequate trail of all payments received. In addition, drop box payments should be processed on the same day they are received in an area being monitored. Any exceptions should be brought to the attention of the supervisor, placed in a locked area, and processed on the next business day. The following procedures should be followed:

- a) The person responsible for opening drop box payments should immediately endorse all checks/money orders with a restrictive endorsement stamp "For Deposit Only" and list them on the log before distribution to the cashier(s).
- b) The person responsible for opening drop box payments and listing incoming payments should note the following on the log: date received; the name of the payer; check/money order number; and amount. The person responsible for noting this information should provide his/her signature on the log.
- c) The person responsible for issuing receipts should enter the receipt date and receipt number issued for the drop box payment on the log.
- d) A person other than the person responsible for issuing receipts should verify that an official County receipt was issued for each incoming drop box payment. The person conducting this verification should provide his/her signature on the log as acknowledgment of the verification.
- e) Receipts for payments received at the drop box should be sent to the payer if a stamped, self-addressed envelope is included with the payment; otherwise, the department should place the copy of the payer's receipt in the applicable file.
- f) Checks received by a department for which the payee line is blank or made payable to another department may be stamped, restrictively endorsed, and deposited by the department when they are verified by a supervisor to be a proper payment to the department; otherwise, they must be returned to sender.
- g) Stale-dated checks must not be accepted and returned to the sender.

Failure to ensure that drop box payments are properly recorded and processed daily increases the risk that payments could be lost or misappropriated without detection and will result in a loss of County funds.

Recommendation:

Management should ensure that all drop box payments are properly recorded and processed daily. The software provider should be contacted to determine if all the required information can be included. In the alternative, the required information should be manually documented on the digital log.

Repeat Observation No. 1:

We noted that segregation of duties over the handling of collections requires improvement. The office

Supervisor and a Deputy Clerk II perform the following incompatible duties:

- Custody: Receive money, issue receipts, open and list drop box payments, balance copies of receipts against the cash drawer, maintain a cash drawer, and prepare bank deposits
- Recording: Prepare reports of cash received
- Approval: Verify that voided original receipts are kept and reviewed

Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, opening and listing drop box payments, balancing copies of receipts against the cash drawer, maintaining a cash drawer, and preparing bank deposits should be different from the individual responsible for preparing reports of cash received. In addition, the individuals previously noted should be different from the individual responsible for verifying that voided original receipts are kept and reviewed.

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 compensation controls are implemented increases the risk of loss or misuse of County revenues.

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 a management response to the observations noted above by October 30, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

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 III, at (956) 318-2511, ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, 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
Interim County Auditor

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief of Operations, Tax Office
Hermelinda Esparza, Substation Supervisor, Tax Office

HIDALGO COUNTY DISTRICT JUDGES

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

October 6, 2023

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

Re: Cash Count Report No. 2022-581

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the McAllen Tax Office on May 27, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand generally 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. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on May 29, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count totaled \$72,746.30. Based on the results of the review, we concluded that total cash on hand generally reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$700.00.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

The Honorable Pablo "Paul" Villarreal Jr.
October 6, 2023
Page 2 of 2

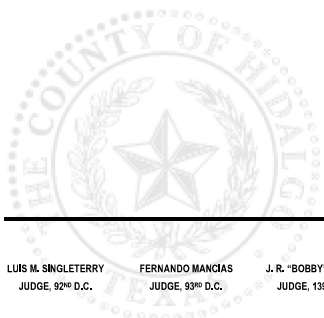
If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Marissa Castillo, Internal Auditor IV, at (956) 318-2511, ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,



Linda Fong, CPFO
Interim County Auditor

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief of Operations, Tax Office
Kristi Torres, Substation Supervisor, Tax Office



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSÉ "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 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 27, 2023

The Honorable Bobby Contreras
Justice of the Peace, Pct. 2, Pl. 1
300 W. Hall Acres, Suite F
Pharr, Texas 78577

Re: Cash Count Report No. 2022-600

Dear Judge Contreras:

We conducted a surprise cash count of the cash held at your office on June 14, 2022 as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary:

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; however, the system of internal controls for the accounting and reporting of collections require improvements. More specifically, we noted the following:

- Security cameras are not utilized where cash is received and safeguarded;
- A mail log is not utilized to record payments received through the mail; and
- Incompatible duties were not adequately segregated.

Scope

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on May 16, 2019. In addition, we evaluated the procedures in place related to documenting the authorization of dismissed criminal cases for the period of June 1, 2022 through June 30, 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.

Conclusion:

Cash on hand at the time of the cash count was \$412.00. Based on the review, we concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations. In addition, we noted that observations from the previous cash count have not been resolved.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

Repeat Observation No. 1:

Although security cameras are utilized, the security cameras are not utilized where cash is received and safeguarded. According to the Court Coordinator, the Justice of the Peace does not want cameras in the receipting area to give the cashiers privacy.

The use of security cameras acts as a crime deterrent; therefore, the County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

The use of security cameras acts as a crime deterrent. Failure to utilize security cameras increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that the security cameras are installed in areas where cash collections are received and safeguarded.

Repeat Observation No. 2:

A mail log was not utilized to record payments received through the mail. According to staff, a mail log is not prepared due to limited staff and time, and the large quantity of mail received.

The County Auditor's Office requires that mail-in payments be listed on a daily mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., check or money order), and the check or money order number.

Failure to ensure that mail-in payments are recorded on a daily mail log increases the risk that payments could be lost or misappropriated without detection.

Recommendation:

Management should ensure that a daily mail log is prepared to record payments received through the mail. Please refer to the mail log section of the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office.

Repeat Observation No. 3:

We noted during our review that segregation of duties over the handling of collections requires improvement. The Court Coordinator and Assistant Court Coordinators performs the following incompatible duties:

- Custody: Receive money, issue receipts, open mail receipts, balance copies of receipts against cash drawer, maintain a cash drawer, and prepare bank deposits
- Recording: Account for numerical sequence of cash receipts, have access to dismiss cases in *Odyssey*, and prepare daily and monthly reports
- Approval: Approve void receipts

In addition, the Clerks perform the following incompatible duties:

- Custody: Receive money, issue receipts, balance copies of receipts against cash drawer, maintain a cash drawer, and prepare bank deposits
- Recording: Account for numerical sequence of cash receipts and have access to dismiss cases in *Odyssey*

HIDALGO COUNTY DISTRICT JUDGES

According to Court Coordinator, due to a heavy case load and limited number of staff, proper segregation of duties over the handling of collections has not been implemented. In addition, the Justice of the Peace requests that staff be cross-trained on all positions.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, opening mail receipts, balancing copies of receipts against cash drawer, maintaining a cash drawer, and preparing bank deposits should be different from the individual accounting for numerical sequence of cash receipts, having access to dismiss cases in Odyssey, and preparing daily and monthly reports. In addition, the individuals previously noted should be different from the individual that is responsible for approving voided receipts.

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 a management response for each of the observations noted above on the attached Management Response Forms by October 11, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you should have any questions, contact Edgar Alan Escobedo, Internal Auditor III, at 318-2511 ext. 4655, Yvonne Torres, Revenue Internal Audit Supervisor, at ext. 4642, 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
Interim County Auditor

Enclosure: Management Response Forms

cc: Mr. Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Daniel Salinas, Director, Information Technology Department
Ms. Adasa Trevino, Court Coordinator, Justice of the Peace Pct. 2, Place 1

HIDALGO COUNTY DISTRICT JUDGES



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

AUDITEE: Hidalgo County Justice of the Peace Pct. 2, Pl. 1 **AUDIT NO.:** 2022-600

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** October 11, 2023

FINDING No.: 2 **RECOMMENDATION:** 2

Management should ensure that a daily mail log is prepared to record payments received through the mail. Please refer to the mail log section of the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office.

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:** _____



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

AUDITEE: Hidalgo County Justice of the Peace Pct. 2, Pl. 1 **AUDIT NO.:** 2022-600

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** October 11, 2023

FINDING No.: 3 **RECOMMENDATION:** 3

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.

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)

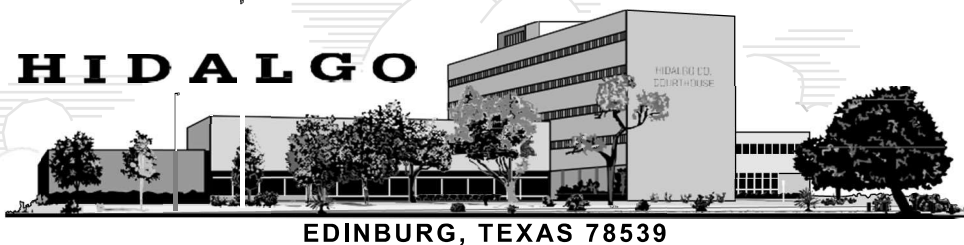
Management Comments (Attach additional page(s) if necessary):

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



EDINBURG, TEXAS 78539

October 13, 2023

The Honorable Jaime J. Muñoz
Justice of the Peace, Pct. 2, Pl. 2
300 W. Hall Acres, Suite B
Pharr, Texas 78577

Re: Cash Count Report No. 2022-601

Dear Judge Muñoz:

We conducted a surprise cash count of the cash held at your office on July 13, 2022, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary

Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- A mail log is not utilized to record payments received through the mail;
- The prescribed *Cashier's Daily Close-Out Report* is not used by staff collecting payments;
- The Court Coordinator and Assistant Court Coordinators perform incompatible duties; and
- Collections for fees are not deposited on a daily basis.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress toward resolving the findings identified in the cash count conducted on November 12, 2019. In addition, we evaluated the procedures in place related to documenting the authorization of dismissed criminal cases for the period of May 1, 2022 through June 30, 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 improvements could be made.

Conclusion:

Cash on hand at the time of the cash count totaled \$1,539.30. Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the observations below.

The responsibility for establishing and maintaining a sound internal control system rests with management.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANCIAS JUDGE, 93rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. MARLA CUELLAR JUDGE, 275th D.C. MARIO E. RAMIREZ, JR. JUDGE, 332nd D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 478th D.C.

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 mail log was not utilized to record payments received through the mail. According to the Court Coordinator, a clerk receives the mail and distributes it to staff based on case type and/or sender. Subsequently, the mail is opened and endorsed by the cashier when a receipt is to be issued. Mail-in payments that are received for less than the amount owed after notifying the Court Coordinator are returned back to the sender; however, a log is not used to document the information on the returned check. According to the Court Coordinator, a mail and returned check log is not prepared due to limited staff and time constraint.

The County Auditor's Office requires that mail-in payments be listed on a daily mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., check or money order), and the check or money order number. After issuing a receipt, the cashier must enter the receipt date and receipt number issued for the mail-in-payment on the mail log. Alternatively, the department may return the payment to the sender. A list of checks returned to the sender due to insufficient/incorrect information or insufficient amount must be prepared in order to maintain an adequate trail of all payments returned. The log, at a minimum, should contain the following information; date of return, check or money order number, check amount, name of payer, reason for return and type of document. A copy of the check or money order should be maintained on file.

Failure to ensure that mail-in payments and returned payments are recorded on a log increases the risk that payments could be lost or misappropriated without detection.

Recommendation:

Management should ensure that a daily mail log is prepared to record payments received through the mail and a returned check log is also maintained to document the information for returned checks. Please refer to the mail log section of the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office.

Observation No. 2:

We noted that the *Cashier's Daily Close-Out Report* is not used to reconcile the cashier's daily collections. According to the Court Coordinator, collections are reconciled against the "Till Balance Summary Report" generated from Odyssey. According to the Court Coordinator, this is an adequate alternative to the *Cashier's Daily Close-Out Report* since there is no need for cash denomination breakdown. However, the reconciliation and the signatures of the cashier and witness are not documented.

The County Auditor's Office requires that each day the cashier reconcile the cash drawer against receipts issued using the *Cashier's Daily Close-Out Report*. The reconciliation must be witnessed by another person. Both the cashier and the witness must verify that the report is completed in its entirety.

Failure to ensure that the *Cashier's Daily Close-Out Report* is utilized to reconcile the day's collections increases the risk of loss of County funds.

Recommendation:

Management should ensure that the *Cashier's Daily Close-Out Report* is utilized to reconcile the day's collection.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 3:

We noted that segregation of duties over the collection and recording of cash requires improvement. In addition, compensating controls to cover the lack of basic internal controls have not been implemented. The Court Coordinator and Assistant Court Coordinators perform the following incompatible duties:

- Custody: Receive money, issue receipts, open mail receipts, balance copies of receipts against cash drawer, maintain a cash drawer, and prepare bank deposits
- Recording: Account for numerical sequence of cash receipts, have access to dismiss cases in Odyssey, prepare reports of cash received, and prepare monthly reports
- Authorization: Review, approve, and sign monthly financial reports and verify that voided original receipts are kept and reviewed

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

Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, opening mail receipts, balancing copies of receipts against cash drawer, maintaining a cash drawer, and preparing bank deposits should be different from the individual accounting for numerical sequence of cash receipts, having access to dismiss cases in *Odyssey*, preparing reports of cash received, and preparing monthly reports. In addition, the individuals previously noted should be different from the individual that is responsible for reviewing, approving, and signing monthly financial reports and verifying that voided original receipts are kept and reviewed.

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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Repeat Observation No. 1:

We noted that collections for July 13, 2022 were deposited at the bank 8 days after collections were received. According to the Court Coordinator, the established office process is to deposit collections 3 to 4 days after daily collections are received; however, the deposit for the day of the cash count was made late because the clerk that is responsible for making the deposit was out of the office.

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

Failure to deposit collections at the bank on a daily basis increases the risk that loss or theft can occur.

HIDALGO COUNTY DISTRICT JUDGES

Recommendation:

Management should ensure that collections are deposited at the bank on a daily basis and employees are cross-trained in each other's duties to ensure deposits are made on a daily basis.

Please provide a management response to the observations noted above by October 30, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, contact Osvaldo Escamilla, Internal Auditor III, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

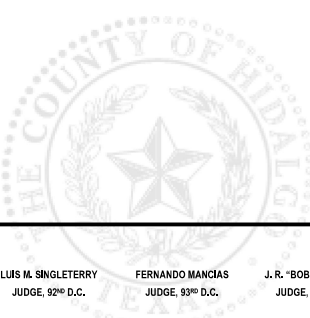
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Juan Jasso, Court Coordinator, Justice of the Peace, Pct. 2, Pl. 2



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANCIAS JUDGE, 93rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. MARLA CUELLAR JUDGE, 275th D.C. MARIO E. RAMIREZ, JR. JUDGE, 332nd D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 478th D.C.



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

AUDITEE:	<u>Hidalgo County Justice of the Peace Pct. 2, Pl. 2</u>	AUDIT NO.:	<u>2022-601</u>
AUDIT:	<u>Cash Count</u>	MANAGEMENT RESPONSE DUE:	<u>October 30, 2023</u>
FINDING No.:	<u>1</u>	RECOMMENDATION:	<u>1</u>

Management should ensure that a daily mail log is prepared to record payments received through the mail and a returned check log is also maintained to document the information for returned checks. Please refer to the mail log section of the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office.

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:** _____



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

AUDITEE:	<u>Hidalgo County Justice of the Peace Pct. 2, Pl. 2</u>	AUDIT NO.:	<u>2022-601</u>
AUDIT:	<u>Cash Count</u>	MANAGEMENT RESPONSE DUE:	<u>October 30, 2023</u>
FINDING No.:	<u>3</u>	RECOMMENDATION:	<u>3</u>

Management should ensure that incompatible duties are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Management Response (Choose One):

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

October 30, 2023

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

Re: Cash Count Report No. 2022-602

Dear Judge Treviño:

We conducted a surprise cash count of the cash held at your office on September 29, 2022, 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 up to the time of the cash count.

Executive Summary:

Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Not all money orders received were restrictively endorsed "For Deposit Only" upon receipt;
- Dismissals are not properly documented; and
- The Court Coordinator, Assistant Court Coordinators, and Clerks perform incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress toward resolving the findings identified in the cash count conducted on August 1, 2019. In addition, we evaluated the procedures in place related to documenting the authorization of dismissed criminal cases for the period of August 1, 2022 through August 31, 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.

Conclusion:

Cash on hand at the time of the cash count totaled \$2,583.93. Based on the cash count, we concluded that total cash on hand reconciled to total receipts issued for the day up to the time of the cash count; however, we noted that system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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,

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

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 two money orders received over the counter were not restrictively endorsed “For Deposit Only.” According to staff, the money orders were not endorsed due to an oversight. The money orders were stamped and corrected after staff was notified of the observation.

The County Auditor’s Office requires that all checks, money orders, and/or cashier’s checks be stamped with the restrictive endorsement “For Deposit Only” upon receipt.

Failure to ensure that checks, money orders, and/or cashier’s checks are stamped with the restrictive endorsement “For Deposit Only” upon receipt increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that checks, money orders, and/or cashier’s checks are stamped with the restrictive endorsement “For Deposit Only” upon receipt.

Observation No. 2:

We randomly selected 35 of 351 (10%) dismissed criminal cases for the period of August 1, 2022 through August 31, 2022 to determine if the dismissal of the cases was properly documented. The results of the review revealed that 8 of the 35 cases did not contain the proper documentation authorizing the dismissal of the cases.

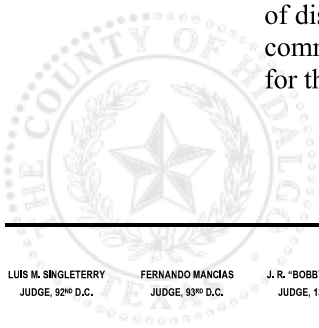
- For 1 of 8 cases, the “motion/order to dismiss” form was not maintained. According to the Court Coordinator, the “motion/order to dismiss” was not prepared, in error.
- 7 of 8 cases were compliance dismissals (the proof was provided and/or deferred disposition); however, an “Order to Dismiss” was not prepared.

The Justice of the Peace (JP) uses her discretion to authorize clerks to assess the appropriate dismissal fee code and close the case as defendants demonstrate compliance with the conditions set forth by the JP. The Court Coordinator stated that dismissal reports are randomly generated to ensure that cases are closed properly; however, due to their workload, there is not always time to verify that all dismissals are properly processed.

Pursuant to the Justices of the Peace Manual, Justices of the Peace may dismiss cases in criminal proceedings only when specifically authorized to do so by statute or when directed to do so by the prosecution (i.e. district attorney) in accordance with Code of Criminal Procedure Art. 32.02. All dismissals should be noted in the applicable docket book along with the reason(s) for dismissal.

A properly authorized dismissed criminal case should include in the case files and/or the docket book the following:

- “Motion to Dismiss” submitted by the District Attorney’s Office, an “Order to Dismiss” signed by the Justice of the Peace, and reason(s) for the dismissal noted in the applicable docket; or
- “Order to Dismiss” and/or judgment signed by the Justice of the Peace, copies of documents as proof of dismissal based on the judge’s discretion in accordance with state statutes (i.e. copies of a commercial vehicle service logs, motor vehicle registration, valid driver’s license, etc.), and reason(s) for the dismissal noted in the applicable docket.



HIDALGO COUNTY DISTRICT JUDGES

Failure to properly document dismissals may result in sanctions from the State Commission on Judicial Conduct and/or loss or misuse of County funds.

Recommendation:

Management should ensure that dismissals are properly documented.

Repeat Observation No. 1:

We noted that segregation of duties over the collections and recording of cash requires improvement. In addition, compensating controls to cover the lack of basic internal controls have not been implemented.

The Court Coordinator performs the following incompatible duties:

- Custody: Balances copies of receipts against cash drawer.
- Recording: Accounts for the numerical sequence of receipts, prepares billings and follows up on delinquencies, has access to dismiss cases in *Odyssey*, prepares reports of cash received, and prepares the monthly report.
- Authorization: Subsequently compares list of mail receipts to recorded cash receipts, compares bank deposit receipts to bank statement, reviews, approves, and signs financial reports, and verifies that voided original receipts are kept and reviewed.

In addition, the Assistant Court Coordinators perform the following incompatible duties:

- Custody: Receive money, issue receipts, open and list mail receipts, balance copies of receipts against cash drawer, maintain a cash drawer, and prepare bank deposits.
- Recording: Have access to dismiss cases in *Odyssey* and prepare reports of cash received.

In addition, the Clerks perform the following incompatible duties:

- Custody: Receive money, issue receipts, and maintain a cash drawer.
- Recording: Have access to dismiss cases in *Odyssey*.

According to the Court Coordinator, all staff has been cross trained to perform all court duties.

Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, opening and listing mail receipts, maintaining a cash drawer and preparing bank deposits should be different from the individual responsible for having access to dismiss cases in *Odyssey*, accounting for the numerical sequence of receipts, preparing billings and following up on delinquencies, preparing reports of cash received, and preparing the monthly report. In addition, the individuals previously noted should not be responsible for subsequently comparing list of mail receipts to recorded cash receipts, comparing bank deposit receipts to bank statement, reviewing, approving, and signing financial reports, and verifying that voided original receipts are kept and reviewed.

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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response to the observations noted above by November 14, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, contact Osvaldo Escamilla, Internal Auditor III, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantú III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

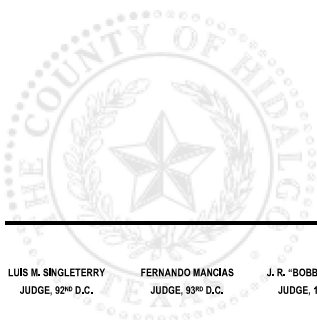
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Debra Gonzalez, Court Coordinator, Justice of the Peace Pct. 3, Pl. 1



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.



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

AUDITEE: Justice of the Peace, Pct. 3, Pl. 1 **AUDIT NO.:** 2022-602

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** November 1, 2023

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

Management should ensure that checks, money orders, and/or cashier's checks are stamped with the restrictive endorsement "For Deposit Only" upon receipt.

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:** _____



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

AUDITEE: Justice of the Peace, Pct. 3, Pl. 1 **AUDIT NO.:** 2022-602

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** November 14, 2023

FINDING No.: 2 **RECOMMENDATION:** 2

Management should ensure that dismissals are properly documented.

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:** _____



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

AUDITEE: Justice of the Peace, Pct. 3, Pl. 1 **AUDIT NO.:** 2022-602

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** November 14, 2023

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

Management should ensure that incompatible duties are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Management Response (Choose One):

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

October 2, 2023

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

Re: Cash Count Report No. 2022-603

Dear Judge Peña:

We conducted a surprise cash count of the cash held at your office on November 17, 2022, 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.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate your office's progress toward resolving the findings identified in the cash count conducted on July 8-9, 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.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

There were no collections at the time of the cash count. In addition, we noted that adequate internal controls were in place to properly safeguard cash on hand and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions regarding this cash count, please contact Araceli A. Guillen, Internal Auditor III, at ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

A handwritten signature in black ink that reads "Linda Fong".

Linda Fong, CPFO
Interim County Auditor

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th 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 13, 2023

The Honorable Charlie Espinoza
Justice of the Peace Pct. 4, Pl. 1
212 N. 12th Avenue
Edinburg, TX 78541

Re: Cash Count Report No. 2022-604

Dear Judge Espinoza:

We conducted a surprise cash count of the cash held at your office on December 7, 2022, 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 up to the time of the cash count.

Executive Summary:

Based on the cash count, we concluded that 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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- The dismissal of cases was not properly documented;
- Not all citations and civil cases were properly reconciled and accounted for;
- A mail log was not utilized to record payments received through the mail; and
- The Court Coordinator and Assistant Court Coordinators perform incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress toward resolving the findings identified in the cash count conducted on December 12, 2019. In addition, we evaluated the procedures in place related to documenting the authorization of dismissed criminal cases for the period of October 1, 2022 through October 31, 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.

Conclusion:

Total cash on hand at the time of the cash count totaled \$1,790.70. Based on the cash count, we concluded that total cash on hand reconciled to total receipts issued for the day up to the time of the cash count and approved change fund of \$50.00; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANCIAS JUDGE, 93rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. MARLA CUELLAR JUDGE, 275th D.C. MARIO E. RAMIREZ, JR. JUDGE, 332nd D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476th D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:

We randomly selected 10 of 89 (11%) dismissed criminal cases for the period of October 1, 2022 through October 31, 2022 to determine if the dismissal of the cases was properly documented. The results of the review revealed that 6 cases did not have a copy of the motion and order to dismiss form entered in *Odyssey*. Since, the 6 cases were compliance dismissals (proof for dismissal was provided and/or deferred disposition), according to the records in *Odyssey*, a "Motion to Dismiss" was not required; however, an "Order to Dismiss" was required to document the dismissal.

The Justice of the Peace (JP) uses his discretion to authorize clerks to assess the appropriate dismissal fee code and close the case as defendants demonstrate compliance with the conditions set forth by the JP. The Court Coordinator mentioned that she randomly runs dismissal reports to ensure that cases are closed properly; however, due to their workload, there is not always time to verify that all dismissals are properly processed.

Pursuant to the Justices of the Peace Manual, Justices of the Peace may dismiss cases in criminal proceedings only when specifically authorized to do so by statute or when directed to do so by the prosecution (i.e. district attorney) in accordance with Code of Criminal Procedure Art. 32.02. The dismissals should be noted in the applicable docket book along with the reason(s) for dismissal.

Pursuant to Code of Criminal Procedure Art. 45.051(c), on determining that the defendant has complied with the requirements imposed by the judge, the judge shall dismiss the complaint, and it shall be clearly noted in the docket that the complaint is dismissed and that there is not a final conviction. An "Order to Dismiss" is used to document the dismissal.

A properly authorized dismissed criminal case should include in the case files and/or the docket book the following:

- "Motion to Dismiss" submitted by the District Attorney's Office, an "Order to Dismiss" signed by the Justice of the Peace, and reason(s) for the dismissal noted in the applicable docket; or
- "Order to Dismiss" and/or judgment signed by the Justice of the Peace, copies of documents as proof of dismissal based on the judge's discretion in accordance with state statutes (i.e. copies of a commercial vehicle service logs, motor vehicle registration, valid driver's license, etc.), and reason(s) for the dismissal noted in the applicable docket.

Failure to properly document dismissals may result in sanctions from the State Commission on Judicial Conduct and/or loss or misuse of County funds.

Recommendation:

Management should ensure that dismissals are properly documented.

Repeat Observation No. 1:

Procedures for the accounting of citations received from law enforcement agencies and civil cases filed with the court require improvement as follows:

HIDALGO COUNTY DISTRICT JUDGES

1. Except for citations received from the Department of Public Safety (DPS), citations received from law enforcement agencies and civil cases were not recorded on a log. DPS automatically uploads the citations into Odyssey.
2. A reconciliation of citations and civil cases filed at the court to those recorded in *Odyssey*, the case management system, was not conducted and formally documented; and
3. Duties related to citations and civil cases were not properly segregated. Individuals responsible for issuing receipts (custody responsibility) were also responsible for entering citations into *Odyssey* (recording responsibility).

According to the Court Coordinator, due to a heavy case load and limited staff, procedures for the accounting of citations and civil case filings have not been improved.

The County Auditor's Office requires that a reconciliation of citations and civil cases filed at the court be conducted and formally documented. This reconciliation may be conducted and formally documented by completing a citation/civil cases filed log (log). Citations/civil cases should be entered into *Odyssey*, the case management system, the same day they are received. Any exceptions should be brought to the attention of the Supervisor, placed in a locked area, and processed on the next business day. The following procedures should be followed when processing citations:

- a. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should immediately list citations/civil cases on the log before distribution to the person responsible for entering them into *Odyssey*. Since the person responsible for entering the citations/civil cases into *Odyssey* has recording responsibilities, he/she should not be responsible for accepting payments.
- b. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should note, at a minimum, the following on the log: date received, citation number, name of violator/plaintiff, and name of officer who issued the citation, as applicable. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the log.
- c. The person responsible for entering the citations into *Odyssey* should enter the date of entry and docket number assigned to the citation/civil case on the log and provide his/her signature on the "Entered by" line of the log.
- d. The "New Cases" and "Cases Filed" reports for the specified date should be generated from *Odyssey* and reconciled to the log by a person other than the person responsible for entering the citations into *Odyssey*. Any variances should be noted on the log, with a detailed explanation, and immediately brought up to the attention of the Justice of the Peace. In addition, the person conducting this reconciliation should provide his/her signature on the log as acknowledgment of the reconciliation.
- e. Citations should be placed in the applicable file.
- f. The Justice of the Peace should request periodic reports regarding the citations filed with the court from law enforcement agencies and reconcile the reports to the citations recorded in *Odyssey*.
- g. Copies of the citation logs and periodic reports received from law enforcement agencies shall be maintained by the Justice of the Peace Office. This documentation shall be made available to the County Auditor's Office for review upon request.

Maintaining adequate internal controls over citations 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

HIDALGO COUNTY DISTRICT JUDGES

administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations.

Failure to ensure that citations and civil cases are properly accounted and reconciled or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that citations and civil cases are properly accounted and reconciled. The procedures noted above should be implemented. If the procedures cannot be implemented, management should ensure that compensating controls are implemented.

Repeat Observation No. 2:

A mail log was not utilized to record payments received through the mail. According to the Court Coordinator, a mail log is not prepared due to limited staff and time.

The County Auditor’s Office requires that mail-in payments be listed on a daily mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., cash or check), and, if applicable, the check number.

Failure to ensure that mail-in payments are recorded on a daily mail log increases the risk that payments could be lost or misappropriated without detection.

Recommendation:

Management should ensure that a daily mail log is prepared to record payments received through the mail. Please refer to the mail log section of the “Cash Handling Guidelines and Procedures” prescribed by the County Auditor’s Office.

Repeat Observation No. 3:

We noted that segregation of duties over the collections and recording of cash requires improvement. In addition, compensating controls to cover for the lack of basic internal controls have not been implemented.

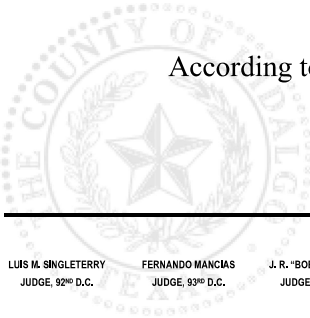
The Court Coordinator performs the following incompatible duties:

- Custody: Prepares bank deposits
- Recording: Accounts for the numerical sequence of receipts, has access to dismiss cases in *Odyssey*, prepares reports of cash received, and prepares the monthly report
- Authorization: Verifies that voided original receipts are kept and reviewed

In addition, the Assistant Court Coordinators perform the following incompatible duties:

- Custody: Receives money, issues receipts, balances copies of receipts against cash drawer, maintains a cash drawer, and prepares bank deposits
- Recording: Accounts for the numerical sequence of receipts and prepares reports of cash received

According to the Court Coordinator, segregation of duties is difficult to implement due to limited staff.



HIDALGO COUNTY DISTRICT JUDGES

Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, and preparing bank deposits should be different from the individual responsible for accounting for the numerical sequence of receipts, having access to dismiss cases in *Odyssey*, preparing reports of cash received, and preparing the monthly report. In addition, the individuals previously noted should not be responsible for verifying that voided original receipts are kept and reviewed.

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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response to the observations noted above by October 30, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact Osvaldo Escamilla, Internal Auditor III, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantú III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

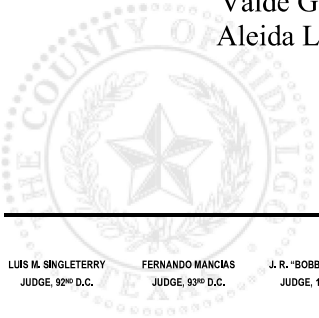
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Aleida Lopez, Court Coordinator, Justice of the Peace Pct. 4, Pl. 1



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.



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

AUDITEE: Hidalgo County Justice of the Peace Pct. 4, Pl. 1 **AUDIT NO.:** 2022-604

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** October 30, 2023

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

Management should ensure that citations and civil cases are properly accounted and reconciled. The procedures noted in the finding should be implemented. If the procedures cannot be implemented, management should ensure that compensating controls are implemented.

Management Response (Choose One):

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

October 13, 2023

The Honorable Andre Maldonado,
Justice of the Peace, Pct. 4, Pl. 2
1212 S. 25th Ave., Ste. C
Edinburg, TX 78539

Re: Cash Count Report No. 2022-605

Dear Judge Maldonado:

We conducted a surprise cash count of the cash held at your office on July 11, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and approved change fund.

Executive Summary:

Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

Conclusion:

Total cash on hand at the time of the cash count was \$876.40. Based on the results of the review, we concluded that total cash on hand reconciled to total receipts issued for the day up to the time of the cash count.

If you have any questions or would like to schedule a meeting regarding this cash count, please contact Araceli A. Guillen, Internal Auditor III, at 318-2511 ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,

A handwritten signature in black ink that reads 'Linda Fong'.

Linda Fong, CPF
Interim County Auditor

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Rocio Villarrea, Court Coordinator, Justice of the Peace Pct. 4, Pl. 2

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th 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 31, 2023

The Honorable Jason Peña
Hidalgo County Justice of the Peace Pct. 5, Pl. 1
P.O. Box 238
Elsa, Texas 78543

Re: Cash Count Report No. 2022-606

Dear Judge Peña:

We conducted a surprise cash count of the cash held at your office on September 8, 2022, 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 up to the time of the cash count.

Executive Summary:

Based on the cash count, we concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- A “hot check” listing is not referenced when receiving checks from customers;
- Not all checks or money orders received are made payable to Hidalgo County or the County Official’s title;
- The dismissal of cases was not properly documented;
- Not all required notices are posted in a place visible to the public near cashiers;
- Not all citations and civil cases were properly reconciled and accounted;
- Mail-in payments and online payments are not promptly received; and
- The Court Coordinator, Assistant Court Coordinators, and Clerks perform incompatible duties.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office’s progress toward resolving the findings identified in the cash count conducted on June 17, 2019. In addition, we evaluated the procedures in place related to documenting the authorization of dismissed criminal cases for the period of July 1, 2022 through July 31, 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE “JOE” RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

Conclusion:

Cash on hand at the time of the cash count totaled \$1,752.23. Based on the cash count, we concluded that total cash on hand reconciled to total receipts issued for the day up to the time of the cash count; however, we noted the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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 a listing of the names of customers whose checks have been returned by the bank (“hot checks”) due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds was not maintained. According to the Court Coordinator, they were not aware that a list of “hot checks” should be maintained and referenced when receiving checks from customers.

The County Auditor’s Office requires that a listing of the names of customers whose checks have been returned by the bank (“hot checks”) due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to maintain a hot check list may increase the risk that a check is collected from a customer who has previously presented a “hot check” as payment.

Recommendation:

Management should ensure that the “hot check” listing is referenced when receiving checks from customers. A “hot check” listing should be requested from the County Treasurer’s Office.

Observation No. 2:

We noted that an Assistant Court Coordinator had written her name as the payee on a money order. Prior to the cash count, the money order had already been issued a County receipt and had been stamped “Justice of the Peace 5 Pl. 1” on the payee line above the Assistant Court Coordinators name. According to the Assistant Court Coordinator, her name was written on the money order by mistake. The money order was subsequently deposited that day.

The County Auditor’s Office requires that all checks or money orders be made payable to Hidalgo County or the County Official’s title. Furthermore, cashiers should immediately stamp any check or money order received with a blank payee line with the County Officials information if the payment cannot be immediately returned to the payor.

Failure to ensure that checks or money orders are made payable to the Hidalgo County or the County Official’s title may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all checks or money orders received are made payable to Hidalgo County or the County Official’s title.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 3:

We selected 2 of 2 dismissed criminal cases for the period of July 1, 2022 through July 31, 2022 to determine if authorization for dismissal of the criminal cases was properly documented. The results of the review revealed that the 2 cases did not have a copy of the motion and order to dismiss form entered in *Odyssey*. According to the Court Coordinator, the motion and order to dismiss was not entered in *Odyssey* due to an oversight.

Pursuant to the Justices of the Peace Manual, Justices of the Peace may dismiss cases in criminal proceedings only when specifically authorized to do so by statute or when directed to do so by the prosecution (i.e. district attorney) in accordance with Code of Criminal Procedure Art. 32.02. All dismissals should be noted in the applicable docket book along with the reason(s) for dismissal.

A properly authorized dismissed criminal case should include in the case files and/or the docket book the following:

- “Motion to Dismiss” submitted by the District Attorney’s Office, an “Order to Dismiss” signed by the Justice of the Peace, and reason(s) for the dismissal noted in the applicable docket; or
- “Order to Dismiss” and/or judgment signed by the Justice of the Peace, copies of documents as proof of dismissal based on the judge’s discretion in accordance with state statutes (i.e. copies of a commercial vehicle service logs, motor vehicle registration, valid driver’s license, etc.), and reason(s) for the dismissal noted in the applicable docket.

Failure to properly document dismissals may result in sanctions from the State Commission on Judicial Conduct and/or loss or misuse of County funds.

Recommendation:

Management should ensure that dismissals are properly documented.

Observation No. 4:

We noted that the following notices were not posted in a place visible to the public near cashiers: “Make sure you receive an official county receipt when making payments at this office” along with a sample receipt issued by the department, “Gifts, gratuities, and/or tips will not be accepted”, “A \$_ fee will be collected on all returned checks”, and a schedule of the fines and fees collected by the department. According to the Court Coordinator, she was not aware that these notices needed to be posted.

The County Auditor’s Office requires that the following notices 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”, along with a sample of each official County receipt issued by the department, “Gifts, gratuities, and/or tips will not be accepted”, “A \$_ fee will be collected on all returned checks”, and a schedule of the fines and fees collected by the department.

Failure to ensure that the notices are posted increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that the following notices are posted in a place visible to the public near cashiers: “Make sure you receive an official County receipt when making payments at this office”, along with a sample of each official County receipt issued by the department, “Gifts, gratuities, and/or tips will not be accepted”, “A \$_ fee will be collected on all returned checks”, and a schedule of the fines and fees collected by the department.

Observation No. 5:

Procedures for the accounting of citations received from law enforcement agencies and civil cases filed with the court require improvement as follows:

1. Except for citations received from the Department of Public Safety (DPS), citations received from law enforcement agencies and civil cases were not recorded on a log. DPS automatically uploads the citations into Odyssey.
2. A reconciliation of citations and civil cases filed at the court to those recorded in Odyssey, the case management system, was not conducted and formally documented; and
3. Duties related to citations and civil cases are not properly segregated. Individuals responsible for issuing receipts (custody responsibility) are also responsible for entering citations into Odyssey (recording responsibility).

According to the Court Coordinator, she was not aware that procedures should be in place for the accounting and reconciling of citations and civil case filings.

The County Auditor's Office requires that a reconciliation of citations and civil cases filed at the court be conducted and formally documented. This may be accomplished by completing a citation/civil cases filed log (log). Citations/civil cases should be entered into Odyssey, the case management system, the same day they are received. Any exceptions should be brought to the attention of the Supervisor, placed in a locked area, and processed on the next business day. The following procedures should be followed when processing citations:

- a. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should immediately list citations/civil cases on the log before distribution to the person responsible for entering them into *Odyssey*. Since the person responsible for entering the citations/civil cases into *Odyssey* has recording responsibilities, he/she should not be responsible for accepting payments.
- b. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should note, at a minimum, the following on the log: date received, citation number, name of violator/plaintiff, and name of officer who issued the citation, as applicable. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the log.
- c. The person responsible for entering the citations into *Odyssey* should enter the date of entry and docket number assigned to the citation/civil case on the log and provide his/her signature on the "Entered by" line of the log.
- d. The "New Cases" and "Cases Filed" reports for the specified date should be generated from *Odyssey* and reconciled to the log by a person other than the person responsible for entering the citations into *Odyssey*. Any variances should be noted on the log, with a detailed explanation, and immediately brought up to the attention of the Justice of the Peace. In addition, the person conducting this reconciliation should provide his/her signature on the log as acknowledgment of the reconciliation.
- e. Citations should be placed in the applicable file.
- f. The Justice of the Peace should request periodic reports regarding the citations filed with the courts from law enforcement agencies and reconcile the reports to the citations recorded in *Odyssey*.
- g. Copies of the citation logs and periodic reports received from law enforcement agencies shall be maintained by the Justice of the Peace Office. This documentation shall be made available to the County Auditor's Office for review upon request.

HIDALGO COUNTY DISTRICT JUDGES

Maintaining adequate internal controls over citations 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.

Failure to ensure that citations and civil cases are properly accounted and reconciled or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that citations and civil cases are properly accounted and reconciled. The procedures noted above should be implemented. If the procedures cannot be implemented, management should ensure that compensating controls are implemented.

Observation No. 6:

We noted that mail-in payments are not consistently receipted on a daily basis since mail is, at times, opened every two days. In addition, we noted that 5 of 5 online credit card transactions from September 1, 2022 through September 6, 2022 were receipted 2 to 7 days after the transaction date. Consequently, the applicable case dispositions were not recorded in *Odyssey* in a timely manner. According to the Court Coordinator, the credit card transactions were not receipted timely due to an oversight.

The County Auditor's Office requires that all payments, including mail-in payments, be promptly recorded and controlled using pre-numbered official County receipts. In addition, the case dispositions should be recorded in *Odyssey* upon receipt of payment.

Failure to ensure that all payments are promptly receipted may result in the loss or misuse of County revenues. In addition, failure to ensure that case dispositions are entered timely in *Odyssey* may result in the arrest of the defendant, in error.

Recommendation:

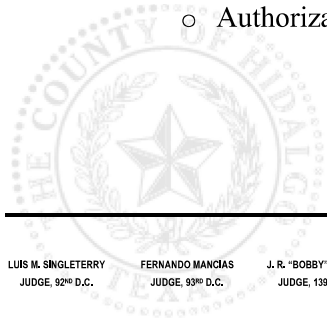
Management should ensure that all payments are promptly receipted and all case dispositions are timely recorded in *Odyssey*.

Repeat Observation No. 1:

We noted that segregation of duties over the collection and recording of cash requires improvement. In addition, compensating controls to cover for the lack of basic internal controls have not been implemented.

The Court Coordinator performs the following incompatible duties:

- Custody: Receives money, issues receipts, balances copies of receipts against cash drawer, and maintains a cash drawer
- Recording: Accounts for the numerical sequence of receipts, has access to dismiss cases in *Odyssey*, follows up on delinquencies, prepares reports of cash received, and prepares the monthly report
- Authorization: Compares list of mail receipts to recorded cash receipts, verifies that voided original receipts are kept and reviewed, and reviews, approves, and signs monthly financial reports.



HIDALGO COUNTY DISTRICT JUDGES

The Assistant Court Coordinators perform the following incompatible duties:

- Custody: Receive money, issue receipts, balance copies of receipts against cash drawer, maintain a cash drawer, and prepare bank deposits
- Recording: Account for the numerical sequence of receipts, have access to dismiss cases in *Odyssey*, and prepare reports of cash received

The Clerk performs the following incompatible duties:

- Custody: Receives money, issues receipts, balances copies of receipts against cash drawer, opens and lists mail receipts, maintains a cash drawer, and prepares bank deposits
- Recording: Accounts for the numerical sequence of receipts and has access to dismiss cases in *Odyssey*

According to the Court Coordinator, all staff has been cross trained to perform all court duties.

Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, opening and listing mail receipts, maintaining a cash drawer, and preparing bank deposits should be different from the individual responsible for accounting for the numerical sequence of receipts, having access to dismiss cases in *Odyssey*, preparing reports of cash received, following up on delinquencies, and preparing the monthly report. In addition, the individuals previously noted should not be responsible for comparing the list of mail receipts to recorded cash receipts, verifying that voided original receipts are kept and reviewed, and reviewing, approving, and signing monthly financial reports.

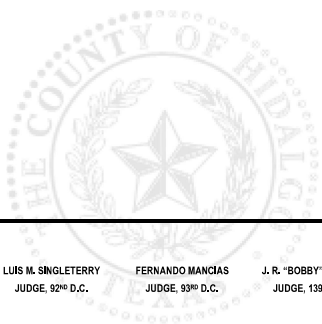
Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, 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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response to the observations noted above by November 14, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.



HIDALGO COUNTY DISTRICT JUDGES

The Honorable Jason Peña
October 31, 2023
Page 7 of 7

If you have any questions regarding this cash count, contact Edgar Alan Escobedo, Internal Auditor III, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

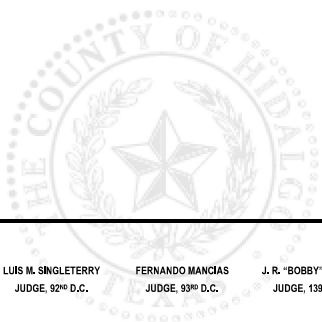
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Erica Saenz, Court Coordinator, Justice of the Peace Pct. 5, Pl. 1



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE:	<u>Justice of the Peace Pct. 5, Pl. 1</u>	AUDIT NO.:	<u>2022-606</u>
AUDIT:	<u>Cash Count</u>	MANAGEMENT RESPONSE DUE:	<u>November 14, 2023</u>
FINDING No.:	<u>3</u>	RECOMMENDATION:	<u>3</u>

Management should ensure that dismissals are properly documented.

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



EDINBURG, TEXAS 78539

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

October 31, 2023

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

Re: Cash Count Report No. 2022-586

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Pharr Motor Vehicle Substation on October 6, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund (see Observation No. 1). In addition, we noted that system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Not all cash on hand was receipted at the time of the cash count;
- Not all checks were immediately restrictively endorsed "For Deposit Only"; and
- Dealer drop-off checks were accepted without the numeric and written dollar amounts noted on the face of the check.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress towards resolving the observations identified in the cash count conducted on June 15, 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.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C. YSMAEL FONSECA JUDGE, 476th D.C.

Conclusion:

Cash on hand at the time of the cash count totaled \$220,810.09. Based on the review, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count, web dealer reports, and the approved change fund of \$8,100.00 (see Observation No. 1). In addition, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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:

Total cash on hand at the time of the cash count exceeded receipts issued due to the following:

- 111 checks totaling \$62,339.64, received from August 16, 2022 up to the date of the cash count, were not receipted.
 - 70 checks totaling \$49,364.23 were subsequently receipted between October 7, 2022 and October 13, 2022.
 - Documentation for 2 checks totaling \$2,769.34 was not provided to determine if they were receipted or rejected.
 - 7 checks totaling \$10,206.07 were rejected for various reasons based on the information provided on the dealer logs submitted after the cash count.
 - 32 checks were blank at the time of the cash count. Of the 32 checks:
 - 27 checks totaling \$4,950.50 were receipted after the cash count.
 - 4 checks were rejected for various reasons based on the information provided on the dealer logs submitted after the cash count.
 - Documentation for 1 blank check was not provided to determine if it was receipted or rejected.
- An overage of \$1.00 was collected on October 5, 2022. The overage was deposited along with the daily collections. However, the overage was recorded in the Short/Over-General Account balance sheet account instead of being remitted to the County Treasurer's Office as miscellaneous revenue.

The County Auditor's Office requires that all payments, including dealer drop-off checks, be promptly and correctly recorded and controlled using pre-numbered official County receipts. In addition, the County Auditor's Office requires that cash receipts be deposited intact daily, unless the amount collected is less than \$100.00. Generally, overages collected should be remitted to the County Treasurer's Office as miscellaneous revenue and deposited with the daily collections. If a payment discrepancy occurs (i.e., vehicle requiring current inspection, incorrect payment amount, etc.), a pre-numbered manual official County receipt should be issued. Once the discrepancy is resolved, an official County receipt from the electronic receipting system should be issued and a refund check issued, if applicable.

Failure to ensure that all payments received are properly collected, promptly receipted, and deposited in the bank or with the County Treasurer's Office may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all payments are properly collected, promptly receipted, and deposited. In addition, management should develop and implement formal monitoring procedures to ensure that overages are properly accounted and reported. Management should monitor all overages to determine if

there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

We noted that four checks from the prior day's collections were not immediately restrictively endorsed "For Deposit Only." According to the Supervisor, the checks were not restrictively endorsed due to an oversight. The checks were restrictively endorsed during the cash count.

The County Auditor's Office requires that all checks, money orders, and/or cashier's checks be immediately stamped with the restrictive endorsement "For Deposit Only" upon receipt.

Failure to ensure all checks, money orders, and/or cashier's checks are stamped with the restrictive endorsement "For Deposit Only" upon receipt increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that checks, money orders, and/or cashier's checks are stamped with the restrictive endorsement "For Deposit Only" upon receipt.

Repeat Observation No. 1:

We noted that the Motor Vehicle Department receives checks for dealer drop-off work that are made payable to the Tax Assessor/Collector; however, the lines for the numeric and written amounts are left blank. According to staff, fees for the department's services cannot always be readily determined; therefore, the dealers opt to send a blank check along with the recording documents. Once the amount is determined, the cashier writes the numeric and written dollar amounts on the check, the documents are recorded, and a receipt is issued.

The County Auditor's Office requires that prior to accepting a check as payment, the cashier verify that the numerical and written dollar amounts agree and are for the exact amount due. Checks that are not properly completed should not be accepted.

If an exception is made by the department head to receive blank checks from dealers, dealers should be required to complete and submit the enclosed "Authorization to Complete Blank Check Amount" form. The signed original forms should be retained by the Motor Vehicle Department and made available for review by the County Auditor's Office.

Failure to ensure that cashiers do not accept checks that are not properly completed unless they receive an "Authorization to Complete Blank Check Amount" form may result in the loss or misuse of County funds. In addition, the County may be liable for checks prepared by the cashier in error or a blank check misplaced by the department.

Recommendation:

Management should ensure that cashiers do not accept checks that are not properly completed. In the alternative, if management allows the department to receive blank checks from dealers, the enclosed "Authorization to Complete Blank Check Amount" form should be utilized. The "Authorization to Complete Blank Check Amount" form has been reviewed by legal counsel.

Please provide a management response to the observations noted above by November 14, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

HIDALGO COUNTY DISTRICT JUDGES

Honorable Pablo "Paul" Villarreal, Jr.
October 31, 2023
Page 4 of 4

If you have any questions regarding this cash count, contact Gricelda Quintero, Internal Auditor III, at (956) 318-2511, ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Renaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

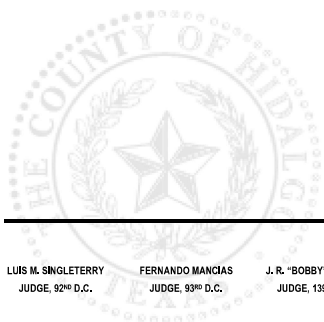
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms and *Authorization to Complete Blank Check Amount Form*

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief Deputy, Tax Office
Santos Castilleja, Division Manager, Motor Vehicle



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANGIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: Motor Vehicle - Pharr AUDIT NO.: 2022-586

AUDIT: Cash Count MANAGEMENT RESPONSE DUE: November 14, 2023

FINDING No.: 1 RECOMMENDATION: 1

Management should ensure that all payments are properly collected, promptly received, and deposited. In addition, management should develop and implement formal monitoring procedures to ensure that overages are properly accounted and reported. Management should monitor all overages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action. At a minimum, the procedures noted in the observation 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: _____



PABLO (PAUL) VILLARREAL JR
TAX ASSESSOR-COLLECTOR

Date: _____

AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT

I, _____ (business name if not an individual) authorize a deputy of the Hidalgo County Tax Office to write in the exact dollar amount of payment due on the check(s) I have provided for the motor vehicle transaction(s) submitted.

All other fields, including the PAY TO THE ORDER OF (payee) must be completed.

ACCEPTABLE CHECKS MUST BE MADE OUT TO THE FOLLOWING:

- a.) HIDALGO COUNTY,
- b.) HIDALGO COUNTY TAX ASSESSOR & COLLECTOR, or,
- c.) HIDALGO COUNTY PABLO (PAUL) VILLARREAL JR. ASSESSOR & COLLECTOR

UNDER NO CIRCUMSTANCE WILL A CHECK WITH A BLANK PAYEE BE ACCEPTED

I understand that this is a convenience service provided by the Hidalgo County Tax Office (Tax Office) and hold the Tax Office harmless from liability. This authorization letter will be retained by the Tax Office and will remain in effect until authorization is withdrawn in writing.

An owner or officer of a corporation must sign this letter of authorization.

Under penalty or perjury, I attest that I am authorized to sign this letter of authorization.

I swear and affirm that I am authorized to sign this AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT.

Customer Signature

Print Name: _____

Title: _____

Company Name: _____

Address: _____

Telephone Number: _____

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

October 31, 2023

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

Re: Cash Count Report No. 2022-588

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Edinburg Motor Vehicle Main Office on October 12, 2022, 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund (see Observation No. 1). In addition, we noted that system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Not all cash on hand was receipted at the time of the cash count;
- Dealer drop-off checks were accepted without numeric and written dollar amounts noted on the face of the check; and
- Security cameras were not installed in the call center where dealer checks are processed and safeguarded.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress towards resolving the observations identified in the cash count conducted on September 30, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

Conclusion:

Cash on hand at the time of the cash count totaled \$336,705.04. Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count, Net Revenue Internet Reports, and the approved change fund of \$8,700.00 (see Observation No.1). In addition, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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:

Total cash on hand at the time of the cash count exceeded receipts issued due to the following:

- 367 checks totaling \$178,972.13, received from April 22, 2022 up to the day of the cash count, had not been receipted.
 - 228 checks totaling \$101,387.03 were subsequently receipted between October 12, 2022 and December 13, 2022.
 - Documentation for 19 checks totaling \$2,098.75 was not provided to determine if they were receipted or rejected.
 - 74 checks totaling \$75,486.35 were rejected for various reasons based on the information provided on the dealer logs submitted after the cash count.
 - 46 checks were blank at the time of the cash count. Of the 46 checks:
 - 31 checks totaling \$20,884.21 were receipted after the cash count.
 - 15 checks were rejected for various reasons based on the information provided on the dealer logs submitted after the cash count.
- An overage of \$20.00 was collected on October 12, 2022. The overage was deposited along with the daily collections. However, the overage was recorded in the Short/Over General Account balance sheet account instead of being remitted to the County Treasurer's Office as miscellaneous revenue.

The County Auditor's Office requires that all payments, including dealer drop-off checks, be promptly and correctly recorded and controlled using pre-numbered official County receipts. In addition, the County Auditor's Office requires that cash receipts be deposited intact daily, unless the amount collected is less than \$100.00. Generally, overages collected should be remitted to the County Treasurer's Office as miscellaneous revenue and deposited with the daily collections. If a payment discrepancy occurs (i.e., vehicle requiring current inspection, incorrect payment amount, etc.), a pre-numbered manual official County receipt should be issued. Once the discrepancy is resolved, an official County receipt from the electronic receipting system should be issued and a refund check issued, if applicable.

Failure to ensure that all payments received are properly collected, promptly receipted, and deposited in the bank or with the County Treasurer's Office may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all payments are properly collected, promptly receipted, and deposited. In addition, management should develop and implement formal monitoring procedures to ensure that overages are properly accounted and reported. Management should monitor all overages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action. At a minimum, the procedures noted above should be implemented.

HIDALGO COUNTY DISTRICT JUDGES

Repeat Observation No. 1:

We noted that the department receives checks for dealer drop-off work that are made payable to the Tax Assessor/Collector; however, the lines for the numeric and written amounts are left blank. According to staff, fees for the department's services cannot always be readily determined; therefore, the dealers opt to send a blank check along with the recording documents. Once the amount is determined, the cashier writes the numeric and written dollar amounts on the check, the documents are recorded, and a receipt is issued.

The County Auditor's Office requires that prior to accepting a check as payment, the cashier verify that the numerical and written dollar amounts agree and are for the exact amount due. Checks that are not properly completed should not be accepted.

If an exception is made by the department head to receive blank checks from dealers, dealers should be required to complete and submit the enclosed "Authorization to Complete Blank Check Amount" form. The signed original forms should be retained by the Motor Vehicle Department and made available for review by the County Auditor's Office.

Failure to ensure that cashiers do not accept checks that are not properly completed unless they receive an "Authorization to Complete Blank Check Amount" form may result in the loss or misuse of County funds. In addition, the County may be liable for checks prepared by the cashier in error or a blank check misplaced by the department.

Recommendation:

Management should ensure that cashiers do not accept checks that are not properly completed. In the alternative, if management allows the department to receive blank checks from dealers, the enclosed "Authorization to Complete Blank Check Amount" form should be utilized. The "Authorization to Complete Blank Check Amount" form has been reviewed by legal counsel.

Repeat Observation No. 2:

We noted that security cameras were not installed in the call center where dealer checks are processed and safeguarded. According to staff, security cameras have not been installed due to budget constraints.

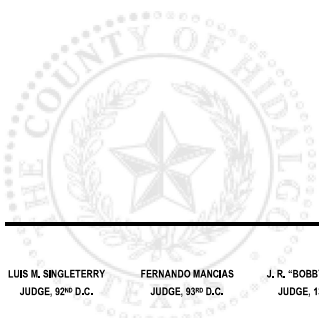
Security cameras serve as a crime deterrent; therefore, the County Auditor's Office recommends that security cameras be installed in areas where cash collections and receipts are reconciled and safeguarded.

Failure to utilize security cameras increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are installed in the call center where dealer checks are processed and safeguarded. Management should contact the Information Technology Department for assistance.

Please provide a management response to the observations noted above by November 14, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.



HIDALGO COUNTY DISTRICT JUDGES

Honorable Pablo "Paul" Villarreal Jr.
October 31, 2023
Page 4 of 4

If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Gricelda Quintero, Internal Auditor III, at (956) 318-2511, ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

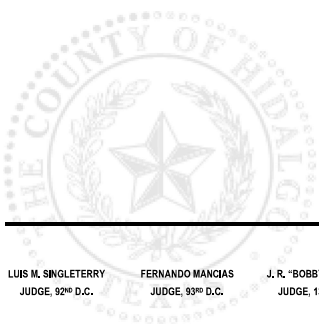
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms and *Authorization to Complete Blank Check Amount* Form

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Tax Office
Mr. Santos Castilleja, Division Manager, Motor Vehicle Division
Mr. Daniel Salinas, Director, Information Technology Department



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.	YSMAEL FONSECA JUDGE, 476 TH D.C.
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**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: Edinburg Motor Vehicle
Main Office **AUDIT NO.:** 2022-588

AUDIT: Cash Count **MANAGEMENT
RESPONSE DUE:** November 14, 2023

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

Management should ensure that cashiers do not accept checks that are not properly completed. In the alternative, if management allows the department to receive blank checks from dealers, the enclosed "Authorization to Complete Blank Check Amount" form should be utilized. The "Authorization to Complete Blank Check Amount" form has been reviewed by legal counsel.

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:** _____



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

AUDITEE: Edinburg Motor Vehicle
Main Office **AUDIT NO.:** 2022-588

AUDIT: Cash Count **MANAGEMENT
RESPONSE DUE:** November 14, 2023

FINDING No.: Repeat 2 **RECOMMENDATION:** Repeat 2

Management should ensure that security cameras are installed in the call center where dealer checks are processed and safeguarded. Management should contact the Information Technology Department for assistance.

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:** _____



PABLO (PAUL) VILLARREAL JR
TAX ASSESSOR-COLLECTOR

Date: _____

AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT

I, _____ (business name if not an individual) authorize a deputy of the Hidalgo County Tax Office to write in the exact dollar amount of payment due on the check(s) I have provided for the motor vehicle transaction(s) submitted.

All other fields, including the PAY TO THE ORDER OF (payee) must be completed.

ACCEPTABLE CHECKS MUST BE MADE OUT TO THE FOLLOWING:

- a.) HIDALGO COUNTY,
- b.) HIDALGO COUNTY TAX ASSESSOR & COLLECTOR, or,
- c.) HIDALGO COUNTY PABLO (PAUL) VILLARREAL JR. ASSESSOR & COLLECTOR

UNDER NO CIRCUMSTANCE WILL A CHECK WITH A BLANK PAYEE BE ACCEPTED

I understand that this is a convenience service provided by the Hidalgo County Tax Office (Tax Office) and hold the Tax Office harmless from liability. This authorization letter will be retained by the Tax Office and will remain in effect until authorization is withdrawn in writing.

An owner or officer of a corporation must sign this letter of authorization.

Under penalty or perjury, I attest that I am authorized to sign this letter of authorization.

I swear and affirm that I am authorized to sign this AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT.

Customer Signature

Print Name: _____

Title: _____

Company Name: _____

Address: _____

Telephone Number: _____

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 31, 2023

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

Re: Cash Count Report No. 2022-589

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Alamo Motor Vehicle Substation on November 29, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand generally reconciled to the total receipts issued for the day up to the time of the cash count and approved change fund. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that procedures for the Scofflaw Program have not been properly implemented.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress towards resolving the observations identified in the cash count conducted on May 22, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Cash on hand at the time of the cash count totaled \$12,879.36. Based on the cash count, we concluded that total cash on hand generally reconciled to the total receipts issued for the day up to the time of the cash count, change order form (request for change from financial institution via armored company), and the approved change fund of \$4,000.00. However, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Repeat Observation No. 1:

We noted that staff does not request a copy of the Justice of the Peace official County receipt to verify proof of payment when accepting Scofflaw Release Forms. According to the Deputy Clerk, they were informed by management that as long as the customer presents a signed and sealed (approved) Scofflaw Release Form by the authorized representative of the court, employees are authorized to renew the registration.

On January 9, 2017, the County Auditor issued a letter to the Tax Assessor addressing the requirements that should be met prior to issuing a renewal of a motor vehicle registration. A copy of the official County receipt must be attached to the Scofflaw Release Form as proof of payment. An approved Scofflaw Release Form without a copy of the official County receipt is not valid.

Failure to ensure that the official County receipt is attached to the Scofflaw Release Form as proof of payment may result in an individual who has outstanding fees receiving a registration of a vehicle.

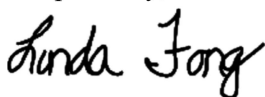
Recommendation:

Management should ensure that employees verify that a copy of the official County receipt is attached to the Scofflaw Release Form as proof of payment of outstanding fines. Please refer to the January 9, 2017 letter issued by the County Auditor's Office for the minimum procedures to be implemented.

Please provide a written management response to the observation noted above by November 15, 2023. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact Gricelda Quintero, Internal Auditor III, at (956) 318-2511, ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Renaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

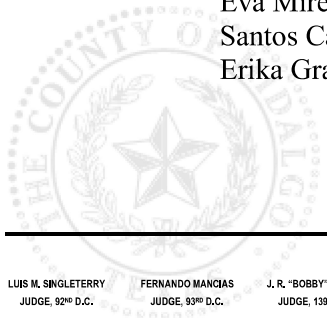
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Form and Scofflaw Letter

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief Deputy, Tax Office
Santos Castilleja, Division Manager, Motor Vehicle Division
Erika Gracia, Alamo Substation Supervisor



HIDALGO COUNTY DISTRICT JUDGES



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

AUDITEE: Alamo Motor Vehicle Main Office **AUDIT NO.:** 2022-589

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** November 15, 2023

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

Management should ensure that employees verify that a copy of the official County receipt is attached to the Scofflaw Release Form as proof of payment of outstanding fines. Please refer to the January 9, 2017 letter issued by the County Auditor's Office for the minimum procedures to be implemented.

Management Response (Choose One):

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

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

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

January 9, 2017

The Honorable Gilberto Saenz, Hidalgo County Justice of the Peace Pct. 1, Pl. 1
The Honorable Jesus E. Morales, Hidalgo County Justice of the Peace Pct. 1, Pl. 2
The Honorable Bobby Contreras, Hidalgo County Justice of the Peace Pct. 2, Pl. 1
The Honorable Jaime M. Munoz, Hidalgo County Justice of the Peace Pct. 2, Pl. 2
The Honorable Luis Garza, Hidalgo County Justice of the Peace Pct. 3, Pl. 1
The Honorable Marcos Ochoa, Hidalgo County Justice of the Peace Pct. 3, Pl. 2
The Honorable Charlie Espinoza, Hidalgo County Justice of the Peace Pct. 4, Pl. 1
The Honorable Homero Jasso, Hidalgo County Justice of the Peace Pct. 4, Pl. 2
The Honorable Pablo "Paul" Villarreal, Hidalgo County Tax Assessor-Collector

Re: Implementation of Revised Scofflaw Release Form and Procedures

Dear Sirs:

The Hidalgo County Commissioners Court implemented the Scofflaw Program in order to collect outstanding fines pursuant to Transportation Code § 502.010. Transportation Code § 502.010, allows the Tax Assessor-Collector to deny the registration of a vehicle if the Tax Assessor-Collector's Office receives information that an individual has outstanding fines over 90 days past due. A \$20.00 Scofflaw Fee is also imposed on these types of cases as authorized by Commissioners Court on September 18, 2012. Texas Attorney General Opinion GA-1006 provides that "if the commissioners court decides to impose the fee, the commissioners court may determine whether the officer charged with assessing and collecting the additional fee may waive it in particular circumstances." However, Commissioners Court did not authorize any County Officials to waive the Scofflaw Fee.

Pursuant to Local Government Code Sections 112.002 and 112.006, the county auditor has financial oversight for all county offices and may dictate the accounting procedures and internal controls to be implemented by each county office.

The current Scofflaw Release Form and the Scofflaw procedures were not developed and prescribed by the County Auditor but by other County Departments. This has increased risk of loss and misuse of County funds.

As such, the County Auditor is prescribing the procedures set below and the enclosed revised Scofflaw Release Form to be implemented immediately.

Individuals who are flagged "Scofflaw" will not be able to register or renew their motor vehicle registration until a signed and sealed (approved) Scofflaw Release Form is received by the Hidalgo County Tax Assessor-Collector's Motor Vehicle Division. The Hidalgo County Tax Assessor-Collector's Motor Vehicle Division may only accept a Scofflaw Release Form if:

1. The outstanding balance is paid in full. Please note that defendants placed on a time payment plan will not be able to register or renew their motor vehicle registration. In addition, the Scofflaw fee may not be waived.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY, JUDGE, 93RD D.C. RODOLFO DELGADO, JUDGE, 83RD D.C. J. R. "BOBBY" FLORES, JUDGE, 129TH D.C. ROSE GUERRA REYNA, JUDGE, 204TH D.C. JUAN R. PARTIDA, JUDGE, 271ST D.C. MARGO E. RAMIREZ, JR., JUDGE, 332ND D.C. NOE GONZALEZ, JUDGE, 375TH D.C. OVERSEER LETICIA LOPEZ, JUDGE, 386TH D.C. L. KENO YASQUEZ, JUDGE, 396TH D.C. ISRAEL RAMON, JR., JUDGE, 430TH D.C. RENEE R. BETANCOURT, JUDGE, 448TH D.C.

- a. The amount received 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 outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the Scofflaw Release Form. The case disposition must agree to the disposition entered on the Scofflaw Release Form.
 - d. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after issuance of an official County receipt.
 - e. A copy of the official County receipt must be attached to the Scofflaw Release Form as proof of payment. An approved Scofflaw Release Form without a copy of the official County receipt is not valid.
 - f. The approved Scofflaw Release Form must be scanned and entered in *Odyssey*.
2. A bond for the outstanding balance has been posted by defendants requesting a pre-trial hearing.
- a. The bond and an event stating a pre-trial hearing was requested must be entered in *Odyssey*.
 - b. The pre-trial hearing event must contain the date on which the pre-trial hearing has been set.
 - c. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after issuance of an official County receipt for the amount of the bond.
 - d. The approved Scofflaw Release Form must be scanned and entered in *Odyssey*.
 - e. A copy of the official County receipt must be attached to the Scofflaw Release Form as proof of payment. An approved Scofflaw Release Form without a copy of the official County receipt is not valid.
 - f. The approved Scofflaw Release Form must be scanned and entered in *Odyssey*.
3. If a case is dismissed, the District Attorney/Designee and the Justice of the Peace signature must be noted on the "motion/order to dismiss" form prior to issuance of the Scofflaw Release Form.
- a. The "motion/order to dismiss" form should not be pre-signed by the District Attorney/Designee and the Justice of the Peace.
 - b. The "motion/order to dismiss" form may only be signed by the District Attorney/Designee or the Justice of the Peace if it has been pre-printed with the docket number and defendant's name.
 - c. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after receipt of the "motion/order to dismiss" form.
 - d. A copy of the signed "motion/order to dismiss" form must be attached to the Scofflaw Release Form.
 - e. The outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the Scofflaw Release Form. The case disposition must agree to the disposition entered on the Scofflaw Release Form.
 - f. 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 entered in *Odyssey*.
4. If community service credit is granted, evidence that the community service was completed must be provided by the defendant prior to approval of the Scofflaw Release Form. The evidence must contain the: defendant's name, name of the organization, and number of community service hours completed.
- a. The court order/judgment form authorizing the community service hours should not be pre-signed by the Justice of the Peace.
 - b. The Justice of the Peace should only sign the court order/judgment form if it has been pre-printed with the docket number and defendant's name.

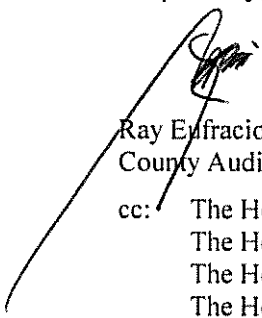
HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82nd D.C. RODOLFO DELGADO JUDGE, 83rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. JUAN R. PARTIDA JUDGE, 273rd D.C. MARIO E. RAMIREZ, JR. JUDGE, 312nd D.C. NOE GONZALEZ JUDGE, 370th D.C. OVERSEER LETICIA LOPEZ JUDGE, 389th D.C. L. KENO VASQUEZ JUDGE, 398th D.C. ISRAEL RAMON, JR. JUDGE, 430th D.C. RENEE R. BETANCOURT JUDGE, 449th D.C.

- c. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after receipt of the evidence that the community service was completed.
 - d. A copy of the evidence that the community service was completed must be attached to the Scofflaw Release Form.
 - e. The outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the Scofflaw Release Form. The case disposition must agree to the disposition entered on the Scofflaw Release Form.
 - f. The court order/judgment, approved Scofflaw Release Form, and evidence that community service was completed must also be scanned and entered in *Odyssey*.
5. If jail time credit is granted, evidence that jail time credit was completed must be provided by the defendant prior to issuance of the Scofflaw Release Form. The evidence must contain the: defendant's name, jail facility name, and dates served.
- a. The court order/judgment form authorizing the jail time credit should not be pre-signed by the Justice of the Peace.
 - b. The Justice of the Peace should only sign the court order/judgment form if it has been pre-printed with the docket number and defendant's name.
 - c. The court order/judgment must be scanned and entered in *Odyssey*.
 - d. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after receipt of the evidence that the jail time service was completed.
 - e. A copy of the evidence that the jail time credit was completed must be attached to the Scofflaw Release Form (i.e., letter or receipt from jail facility).
 - f. The outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the Scofflaw Release Form. The case disposition must agree to the disposition entered on the Scofflaw Release Form.
 - g. The court order/judgment, approved Scofflaw Release Form, and evidence that jail time credit was completed must also be scanned and entered in *Odyssey*.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please call me at 318-2511 ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: The Honorable Ramon Garcia, County Judge
The Honorable David Fuentes, Commissioner Precinct 1
The Honorable Eduardo Cantu, Commissioner Precinct 2
The Honorable Jose M. Flores, Commissioner Precinct 3
The Honorable Joseph Palacios, Commissioner Precinct 4
The Honorable Eddie Guerra, Hidalgo County Sheriff
The Honorable Ricardo Rodriguez, Criminal District Attorney
Mr. Valde Guerra, Commissioners Court Executive Officer
Mr. Renan Ramirez, Chief Information Officer

Enclosure: Revised Scofflaw Release Form

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	RODOLFO DELGADO JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 208 TH D.C.	JUAN R. PARTIDA JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 448 TH D.C.
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SCOFFLAW RELEASE FORM
HIDALGO COUNTY TAX ASSESSOR-COLLECTOR
ACKNOWLEDGEMENT OF PAYMENT OR AGREEMENT
 (This form is not an Official County Receipt)

Dear Motor Vehicle Owner,

Upon receipt of this form, you are hereby notified that your Texas Motor Vehicle Registration has been denied because the Hidalgo County Tax Assessor-Collector's Office has received information of an outstanding violation from Hidalgo County.

In order to obtain your Motor Vehicle Registration Renewal, you must receive clearance from the Court listed below. This form must be signed and sealed by an authorized representative from the corresponding Justice of the Peace office. Please contact the:

Scofflaw Release Form was issued on _____ By: _____
 Deputy Clerk

Sec. §502.010. REFUSAL TO REGISTER VEHICLE IN CERTAIN COUNTIES. (a) A county assessor-collector or the department may refuse to register a motor vehicle if the assessor-collector or the department receives information that the owner of the vehicle owes the county money for a fine, fee or tax that is past due, or failed to appear in connection with a complaint, citation, information, or indictment in a court in the county in which a criminal proceeding is pending against the owner.

PLEASE NOTE THAT A PAYMENT PLAN MUST BE PAID IN FULL IN ORDER TO RENEW THE REGISTRATION.

You may pay at the appropriate court or on the County's Website Link: <http://hidalgo.go2gov.net>
Court Use Only

Name _____ Cause # _____ Total Outstanding Amount _____ Official County Receipt Number _____ <i>* If money was received as payment, a copy of Official County receipt must be attached to this form as proof of payment. If not, the form is invalid.</i>	<div style="border: 1px solid black; width: 100%; height: 100%;"></div> Court Seal
Payment Type (select one): <input type="checkbox"/> Community Service <input type="checkbox"/> Jail Time Credit <input type="checkbox"/> Payment in Full <input type="checkbox"/> Cash Bond	Dismissal/Admin Fee <input type="checkbox"/> Dismissal/No Fee <input type="checkbox"/>
Case Dispositon/Status (select one): <input type="checkbox"/> Guilty <input type="checkbox"/> Dismissed (Note reason For dismissal below): <input type="checkbox"/> Pre-Trial Hearing Pending	
<input type="checkbox"/> Deferred Disposition <input type="checkbox"/> Defensive Driving	
Court Representative: _____ <div style="display: flex; justify-content: space-between; width: 80%; margin-left: 20px;"> Printed Name Signature Date </div>	
Presiding Judge: _____ <div style="display: flex; justify-content: space-between; width: 80%; margin-left: 20px;"> Printed Name Signature Date </div>	

***Note: The Judge's signature is ONLY required when a receipt is issued in an amount different from the total outstanding amount.**

*** In order for this form to be valid and authorize the Hidalgo County Tax Assessor - Collector's Office to renew the Vehicle registration the following is necessary: 1.) Signature of the Court Representative; 2.) Signature of the Judge (if applicable, as noted above); 3.) Official County Seal; and 4.) Copy of official County Receipt (if applicable). The Scofflaw Release Form is also not considered valid and complete if: 1.) Community Service or Jail Time Credit, if applicable, has not been completed; 2.) Time Payment Plan has not been paid in full; 3.) Bond has not been posted for a Pre-Trial hearing; and 4.) Order and Motion to Dismiss has not been signed by both Justice of the Peace and the District Attorney.

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 31, 2023

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

Re: Cash Count Report No. 2022-590

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the San Juan Motor Vehicle Substation on June 9, 2022, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to that time of the cash count and the approved change fund (see Observation No. 1). In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvements. More specifically, we noted the following:

- Not all cash on hand was receipted at the time of the cash count; and
- Supervisors have the ability to reverse or void credit card payments.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate your office's progress towards resolving the observations identified in the cash count conducted on August 29, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

Conclusion:

Cash on hand at the time of the cash count totaled \$124,556.91. Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$4,000.00 (See Observation No.1). In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvements as noted in the following observations.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANCIAS JUDGE, 93rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. MARLA CUELLAR JUDGE, 275th D.C. MARIO E. RAMIREZ, JR. JUDGE, 332nd D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476th D.C.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

Observation No. 1:

Total cash on hand at the time of the cash count exceeded receipts issued due to the following:

- 26 checks totaling \$43,491.94, received from June 6, 2022 up to the day of the cash count, had not been receipted. Of the 26 checks:
 - 20 checks totaling \$33,991.41 were subsequently receipted on June 13, 2022.
 - 6 checks totaling \$9,500.53 were rejected and returned to the dealer due to the checks listing the incorrect amount.
- A check for \$35.75 for the Tax Office-Special Inventory was placed in the Motor Vehicle Till in error. The check was placed in the correct till at the time of the cash count. The check was subsequently receipted and deposited.

The County Auditor's Office requires that all payments, including dealer drop-off checks, be promptly and correctly recorded and controlled using pre-numbered official County receipts. In addition, the County Auditor's Office requires that cash receipts be deposited intact daily, unless the amount collected is less than \$100.00. If a payment discrepancy occurs (i.e., vehicle requiring current inspection, incorrect payment amount, etc.), a pre-numbered manual official County receipt should be issued. Once the discrepancy is resolved, an official County receipt from the electronic receipting system should be issued and a refund check issued, if applicable.

Failure to ensure that all payments received are properly collected, promptly receipted, and deposited in the bank or with the County Treasurer's Office may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all payments are properly collected, promptly receipted, and deposited. At a minimum, the procedures noted above should be implemented.

Repeat Observation No. 1:

We noted that supervisors are able to reverse/void credit card payments. According to management, Hamer Enterprises provided an online portal in which supervisors were given the ability to reverse same-day credit card transactions. Reversals/voids are done when the incorrect amount is processed on the transaction or when an individual wants to cancel the transaction.

The County Auditor's Office requires that credit card transactions reversals/voids be prohibited. Prior to accepting credit/debit card payments, the amount being charged to the credit/debit card should be checked to ensure that it is for the correct amount. If after the payment has been processed, it is determined that the credit/debit card transaction amount is incorrect, then the difference should be treated as an overpayment. If a refund needs to be issued, the refund should not be credited back to the individuals' credit card through a reversal; instead, it must follow the same procedures as any other refund. Refunds must be immediately requested from the County Auditor. The County Auditor must review and approve all refund requests.

Failure to ensure that credit card payments are not reversed/voided may result in the loss of County funds.

HIDALGO COUNTY DISTRICT JUDGES

Recommendation:

Management should ensure that access to the online credit card portal to reverse/void payments is revoked. If a refund is due to the payer, it must be processed as a refund check approved by the County Auditor's Office.

Please provide a management response to the observations noted above by November 15, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact Gricelda Quintero, Internal Auditor III, at (956) 318-2511, ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

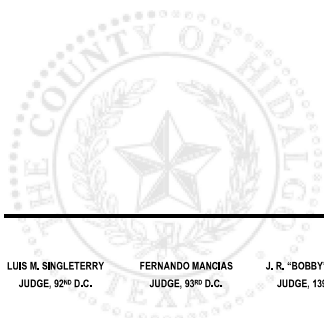
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief Deputy, Tax Office
Santos Castilleja, Division Manager, Motor Vehicle Division



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANCIAS JUDGE, 93rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. MARLA CUELLAR JUDGE, 275th D.C. MARIO E. RAMIREZ, JR. JUDGE, 332nd D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476th 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



October 31, 2023

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

Re: Cash Count Report No. 2022-591

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Mission Motor Vehicle on July 29, 2022, 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and approved change fund (see Observation No. 1). In addition, the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Not all cash on hand was receipted at the time of the cash count;
- Dealer drop-off checks were accepted without the numeric and written amounts noted on the face of the check; and
- Procedures for the Scofflaw Program have not been properly implemented.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up review to evaluate your office's progress towards resolving the observations identified in the cash count conducted on December 9, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

Conclusion:

Cash on hand at the time of the cash count totaled \$136,506.66. Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count, web dealer reports, change order form (request for change from financial institutions via armored company) and the approved change fund of \$7,200.00 (see Observation No. 1). In addition, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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:

Total cash on hand at the time of the cash count exceeded receipts issued due to the following:

- 68 checks totaling \$62,662.99, received on July 28, 2022 and July 29, 2022, had not been receipted.
 - 27 checks totaling \$52,279.61 were subsequently receipted between August 1, 2022 and August 3, 2022.
 - 4 checks totaling \$10,383.38 were rejected for various reasons according to the copies of the completed dealer logs provided to the County Auditor's Office.
 - 37 checks were blank at the time of the cash count (see Observation No. 2). Of the 37 checks:
 - 31 checks totaling \$10,476.79 were receipted after the cash count.
 - 6 checks were rejected for various reasons according to the copies of the completed dealer logs provided to the County Auditor's Office.
- Overages of \$1.75 and \$0.30 were collected on July 28, 2022 and July 29, 2022, respectively. The overages were deposited along with the collections. However, the overages were recorded in the Short/Over General Account balance sheet account instead of being remitted to the County Treasurer's Office as miscellaneous revenue.

The County Auditor's Office requires that all payments, including dealer drop-off checks, be promptly and correctly recorded and controlled using pre-numbered official County receipts. In addition, the County Auditor's Office requires that cash receipts be deposited intact daily, unless the amount collected is less than \$100.00. Generally, overages collected should be remitted to the County Treasurer's Office as miscellaneous revenue and deposited with the daily collections. If a payment discrepancy occurs (i.e., vehicle requiring current inspection, incorrect payment amount, etc.), a pre-numbered manual official County receipt should be issued. Once the discrepancy is resolved, an official County receipt from the electronic receipting system should be issued and a refund check issued, if applicable.

Failure to ensure that all payments received are properly collected, promptly receipted, and deposited in the bank or with the County Treasurer's Office may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all payments are properly collected, promptly receipted, and deposited. In addition, management should develop and implement formal monitoring procedures to ensure that overages are properly accounted and reported. Management should monitor all overages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

We noted that the department receives checks for dealer drop-off work that are made payable to the Tax Assessor/Collector; however, the lines for the numeric and written amounts are left blank. According to staff, fees for the department's services cannot always be readily determined; therefore, the dealers opt to send a blank check along with the recording documents. Once the amount is determined, the cashier writes the numeric and written dollar amounts on the check, the documents are recorded, and a receipt is issued.

The County Auditor's Office requires that prior to accepting a check as payment, the cashier verify that the numerical and written dollar amounts agree and are for the exact amount due. Checks that are not properly completed should not be accepted.

If an exception is made by the department head to receive blank checks from dealers, dealers should be required to complete and submit the enclosed "Authorization to Complete Blank Check Amount" form. The signed original forms should be retained by the Motor Vehicle Department and made available for review by the County Auditor's Office.

Failure to ensure that cashiers do not accept checks that are not properly completed unless they receive an "Authorization to Complete Blank Check Amount" form may result in the loss or misuse of County funds. In addition, the County may be liable for checks prepared by the cashier in error or a blank check misplaced by the department.

Recommendation:

Management should ensure that cashiers do not accept checks that are not properly completed. In the alternative, if management allows the department to receive blank checks from dealers, the enclosed "Authorization to Complete Blank Check Amount" form should be utilized. The "Authorization to Complete Blank Check Amount" form has been reviewed by legal counsel.

Observation No. 3:

We noted that staff does not request a copy of the Justice of the Peace official County receipt to verify proof of payment when accepting Scofflaw Release Forms. According to the Supervisor, a copy of an official receipt is only obtained if the customer has a copy of the receipt showing proof of payment. However, if the customer does not have a copy of the receipt, Management has authorized employees to renew the registration if the customer presents a signed and sealed (approved) Scofflaw Release Form.

On January 9, 2017, the County Auditor issued a letter to the Tax Assessor addressing the requirements that should be met prior to issuing a renewal of a motor vehicle registration. A copy of the official County receipt must be attached to the Scofflaw Release Form as proof of payment. An approved Scofflaw Release Form without a copy of the official County receipt is not valid.

Failure to ensure that the official receipt is attached to or noted on the Scofflaw Release Form as proof of payment may result in an individual who has outstanding fees receiving a registration of a vehicle.

Recommendation:

Management should ensure that employees verify that a copy of the official County receipt is attached to the Scofflaw Release Form as proof of payment of outstanding fines. Please refer to the January 9, 2017 letter issued by the County Auditor's Office for the minimum procedures to be implemented.

HIDALGO COUNTY DISTRICT JUDGES

Honorable Pablo "Paul" Villarreal Jr.
October 31, 2023
Page 4 of 4

Please provide a management response to the observations noted above by November 15, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact Gricelda Quintero, Internal Auditor III, at (956) 318-2511, ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

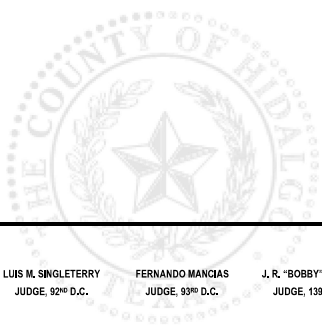
Respectfully,



Linda Fond, CPFO
Interim County Auditor

Enclosures: Management Response Forms, *Authorization to Complete Blank Check Amount* Form, and Scofflaw Letter

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief Deputy, Tax Office
Santos Castilleja, Division Manager, Motor Vehicle Division



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 nd D.C.	FERNANDO MANCIAS JUDGE, 93 rd D.C.	J. R. "BOBBY" FLORES JUDGE, 139 th D.C.	ROSE GUERRA REYNA JUDGE, 206 th D.C.	MARLA CUELLAR JUDGE, 275 th D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 nd D.C.	NOE GONZALEZ JUDGE, 370 th D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 th D.C.	L. KENO VASQUEZ JUDGE, 398 th D.C.	ISRAEL RAMON, JR. JUDGE, 430 th D.C.	RENEE R. BETANCOURT JUDGE, 449 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 th D.C.	YSMAEL FONSECA JUDGE, 476 th D.C.
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**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: Motor Vehicle-Mission **AUDIT NO.:** 2022-591

AUDIT: Cash Count **MANAGEMENT RESPONSE DUE:** November 15, 2023

FINDING No.: 2 **RECOMMENDATION:** 2

Management should ensure that cashiers do not accept checks that are not properly completed. In the alternative, if management allows the department to receive blank checks from dealers, the enclosed "Authorization to Complete Blank Check Amount" form should be utilized. The "Authorization to Complete Blank Check Amount" form has been reviewed by legal counsel.

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:** _____



PABLO (PAUL) VILLARREAL JR
TAX ASSESSOR-COLLECTOR

Date: _____

AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT

I, _____ (business name if not an individual) authorize a deputy of the Hidalgo County Tax Office to write in the exact dollar amount of payment due on the check(s) I have provided for the motor vehicle transaction(s) submitted.

All other fields, including the PAY TO THE ORDER OF (payee) must be completed.

ACCEPTABLE CHECKS MUST BE MADE OUT TO THE FOLLOWING:

- a.) HIDALGO COUNTY,
- b.) HIDALGO COUNTY TAX ASSESSOR & COLLECTOR, or,
- c.) HIDALGO COUNTY PABLO (PAUL) VILLARREAL JR. ASSESSOR & COLLECTOR

UNDER NO CIRCUMSTANCE WILL A CHECK WITH A BLANK PAYEE BE ACCEPTED

I understand that this is a convenience service provided by the Hidalgo County Tax Office (Tax Office) and hold the Tax Office harmless from liability. This authorization letter will be retained by the Tax Office and will remain in effect until authorization is withdrawn in writing.

An owner or officer of a corporation must sign this letter of authorization.

Under penalty or perjury, I attest that I am authorized to sign this letter of authorization.

I swear and affirm that I am authorized to sign this AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT.

Customer Signature

Print Name: _____

Title: _____

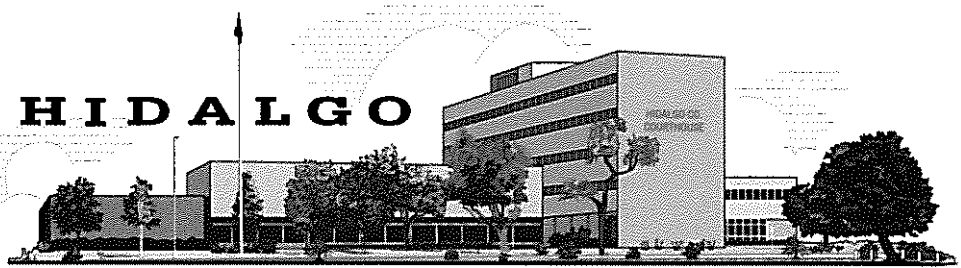
Company Name: _____

Address: _____

Telephone Number: _____

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

January 9, 2017

The Honorable Gilberto Saenz, Hidalgo County Justice of the Peace Pct. 1, Pl. 1
The Honorable Jesus E. Morales, Hidalgo County Justice of the Peace Pct. 1, Pl. 2
The Honorable Bobby Contreras, Hidalgo County Justice of the Peace Pct. 2, Pl. 1
The Honorable Jaime M. Munoz, Hidalgo County Justice of the Peace Pct. 2, Pl. 2
The Honorable Luis Garza, Hidalgo County Justice of the Peace Pct. 3, Pl. 1
The Honorable Marcos Ochoa, Hidalgo County Justice of the Peace Pct. 3, Pl. 2
The Honorable Charlie Espinoza, Hidalgo County Justice of the Peace Pct. 4, Pl. 1
The Honorable Homero Jasso, Hidalgo County Justice of the Peace Pct. 4, Pl. 2
The Honorable Pablo "Paul" Villarreal, Hidalgo County Tax Assessor-Collector

Re: Implementation of Revised Scofflaw Release Form and Procedures

Dear Sirs:

The Hidalgo County Commissioners Court implemented the Scofflaw Program in order to collect outstanding fines pursuant to Transportation Code § 502.010. Transportation Code § 502.010, allows the Tax Assessor-Collector to deny the registration of a vehicle if the Tax Assessor-Collector's Office receives information that an individual has outstanding fines over 90 days past due. A \$20.00 Scofflaw Fee is also imposed on these types of cases as authorized by Commissioners Court on September 18, 2012. Texas Attorney General Opinion GA-1006 provides that "if the commissioners court decides to impose the fee, the commissioners court may determine whether the officer charged with assessing and collecting the additional fee may waive it in particular circumstances." However, Commissioners Court did not authorize any County Officials to waive the Scofflaw Fee.

Pursuant to Local Government Code Sections 112.002 and 112.006, the county auditor has financial oversight for all county offices and may dictate the accounting procedures and internal controls to be implemented by each county office.

The current Scofflaw Release Form and the Scofflaw procedures were not developed and prescribed by the County Auditor but by other County Departments. This has increased risk of loss and misuse of County funds.

As such, the County Auditor is prescribing the procedures set below and the enclosed revised Scofflaw Release Form to be implemented immediately.

Individuals who are flagged "Scofflaw" will not be able to register or renew their motor vehicle registration until a signed and sealed (approved) Scofflaw Release Form is received by the Hidalgo County Tax Assessor-Collector's Motor Vehicle Division. The Hidalgo County Tax Assessor-Collector's Motor Vehicle Division may only accept a Scofflaw Release Form if:

1. The outstanding balance is paid in full. Please note that defendants placed on a time payment plan will not be able to register or renew their motor vehicle registration. In addition, the Scofflaw fee may not be waived.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY, JUDGE, 93RD D.C. RODOLFO DELGADO, JUDGE, 83RD D.C. J. R. "BOBBY" FLORES, JUDGE, 129TH D.C. ROSE GUERRA REYNA, JUDGE, 204TH D.C. JUAN R. PARTIDA, JUDGE, 271TH D.C. MARGO E. RAMIREZ, JR., JUDGE, 332ND D.C. NOE GONZALEZ, JUDGE, 375TH D.C. OVERHEER LETICIA LOPEZ, JUDGE, 386TH D.C. L. KENO YASQUEZ, JUDGE, 396TH D.C. ISRAEL RAMON, JR., JUDGE, 430TH D.C. RENEE R. BETANCOURT, JUDGE, 448TH D.C.

- a. The amount received 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 outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the Scofflaw Release Form. The case disposition must agree to the disposition entered on the Scofflaw Release Form.
 - d. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after issuance of an official County receipt.
 - e. A copy of the official County receipt must be attached to the Scofflaw Release Form as proof of payment. An approved Scofflaw Release Form without a copy of the official County receipt is not valid.
 - f. The approved Scofflaw Release Form must be scanned and entered in *Odyssey*.
2. A bond for the outstanding balance has been posted by defendants requesting a pre-trial hearing.
- a. The bond and an event stating a pre-trial hearing was requested must be entered in *Odyssey*.
 - b. The pre-trial hearing event must contain the date on which the pre-trial hearing has been set.
 - c. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after issuance of an official County receipt for the amount of the bond.
 - d. The approved Scofflaw Release Form must be scanned and entered in *Odyssey*.
 - e. A copy of the official County receipt must be attached to the Scofflaw Release Form as proof of payment. An approved Scofflaw Release Form without a copy of the official County receipt is not valid.
 - f. The approved Scofflaw Release Form must be scanned and entered in *Odyssey*.
3. If a case is dismissed, the District Attorney/Designee and the Justice of the Peace signature must be noted on the "motion/order to dismiss" form prior to issuance of the Scofflaw Release Form.
- a. The "motion/order to dismiss" form should not be pre-signed by the District Attorney/Designee and the Justice of the Peace.
 - b. The "motion/order to dismiss" form may only be signed by the District Attorney/Designee or the Justice of the Peace if it has been pre-printed with the docket number and defendant's name.
 - c. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after receipt of the "motion/order to dismiss" form.
 - d. A copy of the signed "motion/order to dismiss" form must be attached to the Scofflaw Release Form.
 - e. The outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the Scofflaw Release Form. The case disposition must agree to the disposition entered on the Scofflaw Release Form.
 - f. 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 entered in *Odyssey*.
4. If community service credit is granted, evidence that the community service was completed must be provided by the defendant prior to approval of the Scofflaw Release Form. The evidence must contain the: defendant's name, name of the organization, and number of community service hours completed.
- a. The court order/judgment form authorizing the community service hours should not be pre-signed by the Justice of the Peace.
 - b. The Justice of the Peace should only sign the court order/judgment form if it has been pre-printed with the docket number and defendant's name.

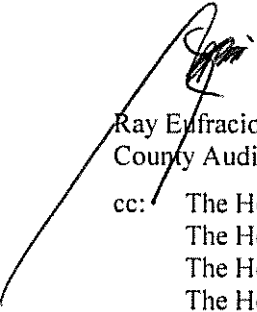
HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82nd D.C. RODOLFO DELGADO JUDGE, 83rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 206th D.C. JUAN R. PARTIDA JUDGE, 273rd D.C. MARIO E. RAMIREZ, JR. JUDGE, 312nd D.C. NOE GONZALEZ JUDGE, 370th D.C. OVERSEER LETICIA LOPEZ JUDGE, 389th D.C. L. KENO VASQUEZ JUDGE, 398th D.C. ISRAEL RAMON, JR. JUDGE, 430th D.C. RENEE R. BETANCOURT JUDGE, 449th D.C.

- c. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after receipt of the evidence that the community service was completed.
 - d. A copy of the evidence that the community service was completed must be attached to the Scofflaw Release Form.
 - e. The outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the Scofflaw Release Form. The case disposition must agree to the disposition entered on the Scofflaw Release Form.
 - f. The court order/judgment, approved Scofflaw Release Form, and evidence that community service was completed must also be scanned and entered in *Odyssey*.
5. If jail time credit is granted, evidence that jail time credit was completed must be provided by the defendant prior to issuance of the Scofflaw Release Form. The evidence must contain the: defendant's name, jail facility name, and dates served.
- a. The court order/judgment form authorizing the jail time credit should not be pre-signed by the Justice of the Peace.
 - b. The Justice of the Peace should only sign the court order/judgment form if it has been pre-printed with the docket number and defendant's name.
 - c. The court order/judgment must be scanned and entered in *Odyssey*.
 - d. The Scofflaw Release Form must be signed and sealed (approved) by the authorized representative of the court only after receipt of the evidence that the jail time service was completed.
 - e. A copy of the evidence that the jail time credit was completed must be attached to the Scofflaw Release Form (i.e., letter or receipt from jail facility).
 - f. The outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the Scofflaw Release Form. The case disposition must agree to the disposition entered on the Scofflaw Release Form.
 - g. The court order/judgment, approved Scofflaw Release Form, and evidence that jail time credit was completed must also be scanned and entered in *Odyssey*.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please call me at 318-2511 ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: The Honorable Ramon Garcia, County Judge
The Honorable David Fuentes, Commissioner Precinct 1
The Honorable Eduardo Cantu, Commissioner Precinct 2
The Honorable Jose M. Flores, Commissioner Precinct 3
The Honorable Joseph Palacios, Commissioner Precinct 4
The Honorable Eddie Guerra, Hidalgo County Sheriff
The Honorable Ricardo Rodriguez, Criminal District Attorney
Mr. Valde Guerra, Commissioners Court Executive Officer
Mr. Renan Ramirez, Chief Information Officer

Enclosure: Revised Scofflaw Release Form

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	RODOLFO DELGADO JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 208 TH D.C.	JUAN R. PARTIDA JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 448 TH D.C.
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SCOFFLAW RELEASE FORM
HIDALGO COUNTY TAX ASSESSOR-COLLECTOR
ACKNOWLEDGEMENT OF PAYMENT OR AGREEMENT
 (This form is not an Official County Receipt)

Dear Motor Vehicle Owner,

Upon receipt of this form, you are hereby notified that your Texas Motor Vehicle Registration has been denied because the Hidalgo County Tax Assessor-Collector's Office has received information of an outstanding violation from Hidalgo County.

In order to obtain your Motor Vehicle Registration Renewal, you must receive clearance from the Court listed below. This form must be signed and sealed by an authorized representative from the corresponding Justice of the Peace office. Please contact the:

Scofflaw Release Form was issued on _____

By: _____
 Deputy Clerk

Sec. §502.010. REFUSAL TO REGISTER VEHICLE IN CERTAIN COUNTIES. (a) A county assessor-collector or the department may refuse to register a motor vehicle if the assessor-collector or the department receives information that the owner of the vehicle owes the county money for a fine, fee or tax that is past due, or failed to appear in connection with a complaint, citation, information, or indictment in a court in the county in which a criminal proceeding is pending against the owner.

PLEASE NOTE THAT A PAYMENT PLAN MUST BE PAID IN FULL IN ORDER TO RENEW THE REGISTRATION.

You may pay at the appropriate court or on the County's Website Link: <http://hidalgo.go2gov.net>
Court Use Only

Name _____ Cause # _____ Total Outstanding Amount _____ Official County Receipt Number _____ <i>* If money was received as payment, a copy of Official County receipt must be attached to this form as proof of payment. If not, the form is invalid.</i>	<div style="border: 1px solid black; width: 100%; height: 100%;"></div> Court Seal
Payment Type (select one): <input type="checkbox"/> Community Service <input type="checkbox"/> Jail Time Credit <input type="checkbox"/> Payment in Full <input type="checkbox"/> Cash Bond	Dismissal/Admin Fee <input type="checkbox"/> Dismissal/No Fee <input type="checkbox"/>
Case Dispositon/Status (select one): <input type="checkbox"/> Guilty <input type="checkbox"/> Dismissed (Note reason For dismissal below): <input type="checkbox"/> Pre-Trial Hearing Pending	
<input type="checkbox"/> Deferred Disposition <input type="checkbox"/> Defensive Driving	
Court Representative: _____ <div style="display: flex; justify-content: space-between; width: 100%;"> Printed Name Signature Date </div>	
Presiding Judge: _____ <div style="display: flex; justify-content: space-between; width: 100%;"> Printed Name Signature Date </div>	
<i>*Note: The Judge's signature is ONLY required when a receipt is issued in an amount different from the total outstanding amount.</i>	

*** In order for this form to be valid and authorize the Hidalgo County Tax Assessor - Collector's Office to renew the Vehicle registration the following is necessary: 1.) Signature of the Court Representative; 2.) Signature of the Judge (if applicable, as noted above); 3.) Official County Seal; and 4.) Copy of official County Receipt (if applicable). The Scofflaw Release Form is also not considered valid and complete if: 1.) Community Service or Jail Time Credit, if applicable, has not been completed; 2.) Time Payment Plan has not been paid in full; 3.) Bond has not been posted for a Pre-Trial hearing; and 4.) Order and Motion to Dismiss has not been signed by both Justice of the Peace and the District Attorney.

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 31, 2023

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

Re: Cash Count Report No. 2022-592

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Elsa Motor Vehicle Substation on November 15, 2022, 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund (See Observation No. 1). In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Not all cash on hand was receipted at the time of the cash count;
- Dealer drop-off checks were accepted without the numeric and written dollar amounts noted on the face of the check; and
- The Assistant Supervisor performs incompatible duties.

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.

As part of the procedures, we verified cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our audit included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.

Conclusion:

Cash on hand at the time of the cash count totaled \$115,620.43. Based on the cash count, we concluded that total cash on hand did not reconcile to total receipts issued for the day up to the time of the cash count, change order forms (request for change from bank via armored company), web dealer reports, and the approved change fund of \$4,200.00 (see Observation No. 1). In addition, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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:

Total cash on hand at the time of the cash count exceeded receipts issued due to the following:

- 72 checks totaling \$101,498.00, received from November 8, 2022 up to the date of the cash count, were not receipted.
 - 46 checks totaling \$66,652.61 were subsequently receipted on November 16, 2022 through November 22, 2022.
 - 16 checks totaling \$24,629.02 were rejected and returned due to reasons noted on the dealer logs submitted after the cash count.
 - Documentation for 6 checks totaling \$10,216.37 was not provided to determine if they were rejected or receipted after the cash count.
 - 4 checks were blank at the time of the cash count. Of the 4 checks:
 - 1 check totaling \$250.75 was receipted after the cash count.
 - 3 checks were rejected for various reasons based on the information provided on the dealer logs submitted after the cash count.
- An overage of \$0.35 was collected on November 14, 2022. The overage was deposited along with the collections. However, the overage was recorded in the Short/Over-General Account balance sheet account instead of being remitted to the County Treasurer's Office as miscellaneous revenue.

The County Auditor's Office requires that all payments, including dealer drop-off checks, be promptly and correctly recorded and controlled using pre-numbered official County receipts. In addition, the County Auditor's Office requires that cash receipts be deposited intact daily, unless the amount collected is less than \$100.00. Generally, overages collected should be remitted to the County Treasurer's Office as miscellaneous revenue and deposited with the daily collections. If a payment discrepancy occurs (i.e., vehicle requiring current inspection, incorrect payment amount, etc.), a pre-numbered manual official County receipt should be issued. Once the discrepancy is resolved, an official County receipt from the electronic receipting system should be issued and a refund check issued, if applicable.

Failure to ensure that all payments received are properly collected, promptly receipted, and deposited in the bank or with the County Treasurer's Office may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all payments are properly collected, promptly receipted, and deposited. In addition, management should develop and implement formal monitoring procedures to ensure that overages are properly accounted and reported. Management should monitor all overages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of

personnel, or disciplinary action. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

We noted that dealer drop-off checks are accepted without the numeric and written dollar amount on the face of the check. According to staff, fees for services cannot always be readily determined; therefore, the dealers opt to send a blank check along with the recording documents. Once the amount is determined, the cashier writes the numeric and written dollar amounts on the check, the documents are recorded, and a receipt is issued.

The County Auditor's Office requires that prior to accepting a check as payment, the cashier verify that the numerical and written dollar amounts agree and are for the exact amount due. Checks that are not properly completed should not be accepted.

If an exception is made by the department head to receive blank checks from dealers, dealers should be required to complete and submit the enclosed "Authorization to Complete Blank Check Amount" form. The signed original forms should be retained by the Motor Vehicle Department and made available for review by the County Auditor's Office.

Failure to ensure that cashiers do not accept checks that are not properly completed unless they receive an "Authorization to Complete Blank Check Amount" form may result in the loss or misuse of County funds. In addition, the County may be liable for checks prepared by the cashier in error or a blank check misplaced by the department.

Recommendation:

Management should ensure that cashiers do not accept checks that are not properly completed. In the alternative, if management allows the department to receive blank checks from dealers, the enclosed "Authorization to Complete Blank Check Amount" form should be utilized. The "Authorization to Complete Blank Check Amount" form has been reviewed by legal counsel.

Observation No. 3:

We noted that segregation of duties over the collection and recording of cash requires improvement. In addition, compensating controls to cover the lack of basic internal controls have not been implemented.

The Assistant Supervisor performs the following incompatible duties:

- Custody: Receives money, issues receipts, balances copies of receipts against cash drawer, maintains a cash drawer, and prepares bank deposits.
- Recording: Prepares reports of cash received.
- Authorization: Verifies that voided original receipts are kept and reviewed.

According to the Supervisor, the Assistant Supervisor performed the incompatible duties whenever the office was limited on staff or had a high volume of workload.

Segregation of duties is a basic, key internal control in any organization. Segregation of duties 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 receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, and preparing bank deposits should be different from the individual

responsible for preparing reports of cash received. In addition, the individuals previously noted should not be responsible for verifying that voided original receipts are kept and reviewed.

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. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide a management response to the observations noted above by November 14, 2023. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact Edgar A. Escobedo, Internal Auditor III, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

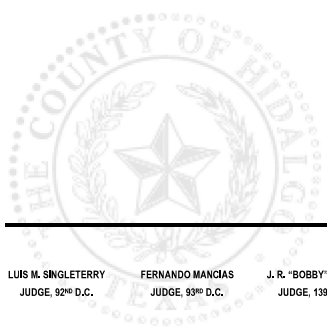
Respectfully,



Linda Fong, CPFO
Interim County Auditor

Enclosures: Management Response Forms and *Authorization to Complete Blank Check Amount Form*

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief Deputy, Tax Office
Santos Castijella, Division Manager, Motor Vehicle Division



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANGIAS 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. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. YSMAEL FONSECA JUDGE, 476TH D.C.



PABLO (PAUL) VILLARREAL JR
TAX ASSESSOR-COLLECTOR

Date: _____

AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT

I, _____ (business name if not an individual) authorize a deputy of the Hidalgo County Tax Office to write in the exact dollar amount of payment due on the check(s) I have provided for the motor vehicle transaction(s) submitted.

All other fields, including the PAY TO THE ORDER OF (payee) must be completed.

ACCEPTABLE CHECKS MUST BE MADE OUT TO THE FOLLOWING:

- a.) HIDALGO COUNTY,
- b.) HIDALGO COUNTY TAX ASSESSOR & COLLECTOR, or,
- c.) HIDALGO COUNTY PABLO (PAUL) VILLARREAL JR. ASSESSOR & COLLECTOR

UNDER NO CIRCUMSTANCE WILL A CHECK WITH A BLANK PAYEE BE ACCEPTED

I understand that this is a convenience service provided by the Hidalgo County Tax Office (Tax Office) and hold the Tax Office harmless from liability. This authorization letter will be retained by the Tax Office and will remain in effect until authorization is withdrawn in writing.

An owner or officer of a corporation must sign this letter of authorization.

Under penalty or perjury, I attest that I am authorized to sign this letter of authorization.

I swear and affirm that I am authorized to sign this AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT.

Customer Signature

Print Name: _____

Title: _____

Company Name: _____

Address: _____

Telephone Number: _____

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

October 30, 2023

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

Re: Cash Count Report No. 2022-593

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the McAllen Motor Vehicle Substation on August 30, 2022, 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.

Executive Summary:

Based on the cash count, we concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund. In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted the following:

- Not all cash on hand was receipted at the time of the cash count; and
- Dealer drop-off checks were accepted without the numeric and written dollar amounts noted on the face of the check.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate the progress towards resolving the observations identified in the cash count conducted on June 25, 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

As part of the procedures, we verified cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our audit included but were not limited to the following; custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 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. YSMAEL FONSECA JUDGE, 476TH D.C.

Conclusion:

Cash on hand at the time of the cash count totaled \$63,954.30. Based on the cash count, we concluded that total cash on hand did not reconcile to total receipts issued for the day up to the time of the cash count, web dealer reports, and the approved change fund of \$6,700.00 (see Observation No. 1). In addition, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

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:

Total cash on hand at the time of the cash count exceeded receipts, as follows:

- 72 checks totaling \$4,868.25, received from August 25, 2022 up to the day of the cash count had not been receipted.
 - 56 checks totaling \$4,747.25 were subsequently receipted on August 30, 2022 and August 31, 2022.
 - 2 checks totaling \$121.00 were rejected and returned to the dealer due incorrect and/or incomplete paperwork according to the dealer logs provided to the County Auditor's Office.
 - 14 checks were blank at the time of the cash count (see Observation No. 2). All 14 checks totaling \$3,091.69 were subsequently receipted after the cash count.
- An overage of \$0.25 was collected on August 30, 2022. The overage was deposited along with the daily collections. The overage was recorded in the Short/Over General Account balance sheet account instead of being remitted to the County Treasurer's Office as miscellaneous revenue.

The County Auditor's Office requires that all payments, including dealer drop-off checks, be promptly and correctly recorded and controlled using pre-numbered official County receipts. In addition, the County Auditor's Office requires that cash receipts be deposited intact daily, unless the amount collected is less than \$100.00. Generally, overages collected should be remitted to the County Treasurer's Office as miscellaneous revenue and deposited with the daily collections. If a payment discrepancy occurs (i.e., vehicle requiring current inspection, incorrect payment amount, etc.), a pre-numbered manual official County receipt should be issued. Once the discrepancy is resolved, an official County receipt from the electronic receipting system should be issued and a refund check issued, if applicable.

Failure to ensure that all payments received are properly collected, promptly receipted, and deposited in the bank or with the County Treasurer's Office may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all payments received are properly collected, promptly receipted, and deposited in the bank or with the County Treasurer's Office. In addition, management should develop and implement formal monitoring procedures to ensure that overages are properly accounted and reported. Management should monitor all overages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

We noted that dealer drop-off checks are accepted without the numeric and written dollar amount on the

face of the check. According to staff, fees for services cannot always be readily determined; therefore, the dealers opt to send a blank check along with the recording documents. Once the amount is determined, the cashier writes the numeric and written dollar amounts on the check, the documents are recorded, and a receipt is issued.

The County Auditor's Office requires that prior to accepting a check as payment, the cashier verify that the numerical and written dollar amounts agree and are for the exact amount due. Checks that are not properly completed should not be accepted.

If an exception is made by the department head to receive blank checks from dealers, dealers should be required to complete and submit the enclosed "Authorization to Complete Blank Check Amount" form. The signed and original forms should be retained by the Motor Vehicle Department and made available for review by the County Auditor's Office.

Failure to ensure that cashiers do not accept checks that are not properly completed, unless an "Authorization to Complete Blank Check Amount" form was completed, may result in the loss or misuse of County funds. In addition, the County may be liable for checks prepared by the cashier in error or a blank check misplaced by the department.


Recommendation:

Management should ensure that cashiers do not accept checks that are not properly completed. In the alternative, if management allows the department to receive blank checks from dealers, the enclosed "Authorization to Complete Blank Check Amount" form should be utilized. The "Authorization to Complete Blank Check Amount" form has been reviewed by legal counsel.

Please provide a management response to the observations noted above by November 14, 2023. The attached Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions regarding this cash count, please contact Osvaldo Escamilla, Internal Auditor III, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, 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
Interim County Auditor

Enclosures: *Authorization to Complete Blank Check Amount* Form and Management Response Forms

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Officer
Eva Mireles, Chief Deputy, Tax Office
Santos Castilleja, Division Manager, Motor Vehicle Division
Kristi Torres, McAllen Substation Supervisor

HIDALGO COUNTY DISTRICT JUDGES



PABLO (PAUL) VILLARREAL JR
TAX ASSESSOR-COLLECTOR

Date: _____

AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT

I, _____ (business name if not an individual) authorize a deputy of the Hidalgo County Tax Office to write in the exact dollar amount of payment due on the check(s) I have provided for the motor vehicle transaction(s) submitted.

All other fields, including the PAY TO THE ORDER OF (payee) must be completed.

ACCEPTABLE CHECKS MUST BE MADE OUT TO THE FOLLOWING:

- a.) HIDALGO COUNTY,
- b.) HIDALGO COUNTY TAX ASSESSOR & COLLECTOR, or,
- c.) HIDALGO COUNTY PABLO (PAUL) VILLARREAL JR. ASSESSOR & COLLECTOR

UNDER NO CIRCUMSTANCE WILL A CHECK WITH A BLANK PAYEE BE ACCEPTED

I understand that this is a convenience service provided by the Hidalgo County Tax Office (Tax Office) and hold the Tax Office harmless from liability. This authorization letter will be retained by the Tax Office and will remain in effect until authorization is withdrawn in writing.

An owner or officer of a corporation must sign this letter of authorization.

Under penalty or perjury, I attest that I am authorized to sign this letter of authorization.

I swear and affirm that I am authorized to sign this AUTHORIZATION TO COMPLETE BLANK CHECK AMOUNT.

Customer Signature

Print Name: _____

Title: _____

Company Name: _____

Address: _____

Telephone Number: _____

