



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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February 18, 2025

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
Mike R. Perez, City Manager, City of Mission	City of Mission TIRZ No. 1 (THMS1 and THMS2) Report No. 2024-31
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	October 2024 DTA Payment Request Report No. 2024-58
The Hon. Daniel Marichalar, Constable Precinct No. 5	Hidalgo County Constable Precinct No. 5 Payroll Audit – Audit No. 2024-62
The Hon. Andrew Gonzalez, Justice of the Peace Pct. 1, Pl. 2	JP Precinct 1 Place 2 Asset Inventory Listing Audit No. 2024-96
The Hon. Dr. Sonia M. Treviño, Justice of the Peace, Pct. 3, Pl. 1	JP Precinct 3 Place 1 Asset Inventory Listing Audit No. 2024-97
The Hon. Judge Mario E. Ramirez, Jr., 332nd State District Court	332nd District Court Asset Inventory Listing No. 2024-98
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	November 2024 DTA Payment Request Report No. 2024-59
The Hon. J.E. “Eddie” Guerra, Hidalgo County Sheriff	“B” Account Financial Statements for March 2023 through December 2024
The Hon. Celestino Avila Jr., Constable Precinct No. 1	Cash Count Report No. 2024-76
The Hon. J.E. “Eddie” Guerra, Hidalgo County Sheriff	Regular Trust Financial Statements for September 2023 through December 2024
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	December 2024 DTA Payment Request Report No. 2024-60
The Hon. Toribio “Terry” Palacios, Criminal District Attorney	HIDTA Financial Statements for October 2023 through December 2024
The Hon. Toribio “Terry” Palacios, Criminal District Attorney	Hot Checks Financial Statements for October 2023 through December 2024
The Hon. Daniel Marichalar, Constable Precinct No. 5	Cash Count Report No. 2024-88
The Hon. Daniel Marichalar, Constable Precinct No. 5	Cash Count Audit No. 2024-87
Erika Reyna, Director of Human Resources	Cash Count Report No. 2024-63
The Hon. Ellie Torres, Commissioner Precinct No. 4	Cash Count Report No. 2024-69

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENE R. BETANCOURT JUDGE, 449TH D.C. JOSE “JOE” RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

The Hon. Martin Cantu, Constable Precinct No. 2	Cash Count Report No. 2024-67
Ms. Angie Chapa, Law Librarian	Cash Count Audit No. 2024-65
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Audit No. 2024-80
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Audit No. 2024-79
Mr. Anthony Uresti, Director Planning Department	Cash Count Report No. 2024-73
The Hon. Atanacio Gaitan Jr., Constable Precinct No. 4	Cash Count Report No. 2024-82
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Cash Count Audit No. 2024-81
The Hon. Toribio "Terry" Palacios, Criminal District Attorney	Hot Checks Cash Count Report No. 2024-74
The Hon. Toribio "Terry" Palacios, Criminal District Attorney	Asset Forfeiture Cash Count Report No. 2024-75
Ms. Dairen Sarmiento Rangel , Director of Health and Human Services	Cash Count Audit No. 2024-85
Ms. Dairen Sarmiento Rangel , Director of Health and Human Services	Cash Count Audit No. 2024-86
The Hon. David L. Fuentes, Commissioner Precinct No. 1	Cash Count Report No. 2024-78
Mr. Anthony Uresti, Director Planning Department	Cash Count Audit No. 2024-92
The Hon. Lazaro Gallardo, Constable Precinct No. 3	Cash Count Audit No. 2024-93
The Hon. Everardo Villarreal, Commissioner Precinct No. 3	Cash Count Report No. 2024-91
The Hon. Lita Leo, Hidalgo County Treasurer	Cash Count Report No. 2024-64, 2024-68, 2024-83, & 2024-94
Mr. Homero Garza, Fire Marshal	Cash Count Audit No. 2024-89
Ms. Dairen Sarmiento Rangel , Director of Health and Human Services	Forensic Center MFR for July 2023 through December 2024
The Hon. Toribio "Terry" Palacios, Criminal District Attorney	H.B. 65 Financial Statements for October 2023 through December 2024
The Hon. Toribio "Terry" Palacios, Criminal District Attorney	Hot Checks Processing Fees Report for October 2023 through December 2024

Respectfully,

Letty Chavez
 County Auditor

Attachments

COUNTY of HIDALGO



HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
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November 18, 2024

Mike R. Perez, City Manager
City of Mission
1201 E. 8th Street
Mission, Texas 78572

Re: City of Mission TIRZ No. 1 (THMS1 and THMS2) Report No. 2024-31

Dear Mr. Perez:

We conducted a limited-scope review of the interlocal agreement between the City of Mission, Hidalgo County, and the City of Mission TIRZ No. 1. The objectives of the review were to determine the accuracy of the City of Mission TIRZ 2023-2024 payment request and compliance with Tax Code §311.016 regarding the completion of the annual audit report.

The scope of the review was limited to the Mission TIRZ property accounts as of January 31, 2024. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction.

The results of the review revealed the following:

1. A payment request in the amount of \$4,524,050.62 was received from the City of Mission on behalf of the Mission TIRZ; however, it was determined that the payment amount should be \$4,521,514.19 (see Exhibit A).
2. The Mission TIRZ annual audit report included the required information pursuant to Tax Code §311.016.

We will proceed to process the 2023 City of Mission TIRZ payment in the amount of \$4,521,514.19.

If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-5844, ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at 4651.

Respectfully,

Letty Chavez
County Auditor

cc: 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. 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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December 2, 2024

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

Re: October 2024 DTA Payment Request Report No. 2024-58

Dear Mr. Villarreal:

We completed a limited-scope review of the October 2024 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 whether the payment request was accurate and properly authorized.

The review results revealed that the payment request was generally accurate and properly authorized. We will proceed to process LGBS's October 2024 DTA payment request for \$224,412.77.

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 October 31, 2024. 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 October 2024."
- 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 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 October 2024."
- Although DTA fees for 139 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 (136 tax accounts) and small amounts (3 tax account) (see Exhibit A).
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for the month of October 2024 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions please contact Francisco Saenz, Internal Auditor IV, at (956) 318-2511, ext. 4667, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosure: Exhibit A

cc: Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, Hidalgo County Executive Officer
Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
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	2023	S484602000015400	0.53	0.10	0.63	0.10
2	1	2022	L473500002004000	129.07	31.31	160.38	22.84
3	1	2022	W738203000000600	88.50	22.49	110.99	15.93
4	1	2022	P890003005001500	21.70	5.40	27.10	3.88
5	1	2022	D280000007000704	18.19	4.73	22.92	3.30
6	1	2022	W010000048000519	6.30	1.53	7.83	1.12
7	1	2022	T810000000000600	0.62	0.21	0.83	0.13
8	1	2021	S397507000005100	144.11	48.88	192.99	27.24
9	1	2021	S436000000001700	80.79	29.28	110.07	15.75
10	1	2021	L335400002000600	53.97	16.11	70.08	9.64
11	1	2021	G855500000002100	54.02	15.80	69.82	9.56
12	1	2021	C070000099000702	30.63	11.63	42.26	6.11
13	1	2021	S240000000001107	12.62	4.58	17.20	2.46
14	1	2020	S477000000006700	19.42	7.56	26.98	3.67
15	1	2020	M626500000001600	12.49	5.01	17.50	2.40
16	1	2019	G59003A000006500	1,014.85	433.84	1,448.69	188.76
17	1	2019	N135002000013600	371.35	154.42	525.77	67.96
18	1	2019	D600003000002000	285.46	152.00	437.46	60.80
19	1	2019	C773000000000100	18.46	9.28	27.74	3.79
20	1	2019	S397510000005000	4.02	2.19	6.21	0.87
21	1	2019	G520003000002900	-306.83	-171.06	-477.89	-67.66
22	1	2018	N135002000013600	377.56	202.31	579.87	75.89
23	1	2018	L284000000000900	58.79	40.75	99.54	14.20
24	1	2018	M340002000004500	46.89	29.78	76.67	10.62
25	1	2018	C170000000000100	34.14	22.68	56.82	7.99
26	1	2018	H048502000000300	39.04	21.16	60.20	7.91
27	1	2018	C902000000000500	29.24	15.31	44.55	5.79
28	1	2018	H120000092000100	22.42	10.70	33.12	4.17
29	1	2018	G520003000002900	-314.86	-213.32	-528.18	-75.09
30	1	2017	S683000000015300	95.76	66.72	162.48	21.98
31	1	2017	G590001003002900	57.29	43.59	100.88	14.09
32	1	2017	L025000010000000	39.06	23.56	62.62	8.02
33	1	2017	H120000092000100	35.05	20.94	55.99	7.15
34	1	2017	C790000000000830	0.05	0.05	0.10	0.01
35	1	2017	G520003000002900	-314.86	-251.10	-565.96	-80.76
36	1	2016	G160000000002200	162.55	96.72	259.27	30.97
37	1	2016	S095000002000400	85.19	54.81	140.00	17.38
38	1	2016	S095000002000400	85.00	55.03	140.03	17.34
39	1	2016	L055500000001500	51.61	34.01	85.62	10.68
40	1	2016	R116002000003000	27.82	23.37	51.19	7.06
41	1	2016	C295002000006700	20.16	18.01	38.17	5.39
42	1	2016	B505197000004300	3.12	2.16	5.28	0.67
43	1	2016	G520003000002900	-118.04	-108.30	-226.34	-32.40
44	1	2015	F105002000007600	179.84	120.79	300.63	34.80
45	1	2015	G160000000002200	139.72	99.90	239.62	29.13
46	1	2014	G160000000002200	160.72	134.20	294.92	36.40
47	1	2014	T625001000001000	89.71	72.52	162.23	19.65

48	1	2014	R284805000001000	75.63	67.56	143.19	18.26
49	1	2014	L020000000000900	10.42	11.44	21.86	3.06
50	1	2013	T625001000001000	308.49	286.38	594.87	73.11
51	1	2013	A180000052000915	149.59	133.39	282.98	32.99
52	1	2013	R457002000006400	157.05	129.56	286.61	29.92
53	1	2013	S160000000004815	38.68	35.38	74.06	8.94
54	1	2013	J570098005000205	13.79	14.78	28.57	3.78
55	1	2013	S735000001002400	18.03	15.23	33.26	3.60
56	1	2013	L165001001000200	16.19	13.68	29.87	3.23
57	1	2012	R457002000006400	189.13	178.73	367.86	39.43
58	1	2012	L165001001000200	25.86	24.96	50.82	5.63
59	1	2011	G160000000002200	174.27	208.25	382.52	48.88
60	1	2011	J570000001000403	60.74	60.03	120.77	11.66
61	1	2011	R457002000006400	41.12	43.79	84.91	9.31
62	1	2010	G160000000002200	174.27	229.17	403.44	52.02
63	1	2010	W155300000000100	71.79	85.55	157.34	17.77
64	1	2010	P927901000007000	13.35	15.50	28.85	3.12
65	1	2010	H510000001000100	15.10	15.63	30.73	2.67
66	1	2010	H510000001000100	15.11	15.63	30.74	2.67
67	1	2009	G160000000002200	174.27	250.08	424.35	55.16
68	1	2009	C005000000004905	80.71	99.97	180.68	18.77
69	1	2009	S525001013000200	23.33	30.23	53.56	6.02
70	1	2009	B157000000005500	14.35	16.51	30.86	2.77
71	1	2008	M550000097001421	25.81	36.35	62.16	7.05
72	1	2008	H365003000001100	22.27	27.50	49.77	4.34
73	1	2008	M015000062000401	7.04	10.06	17.10	1.99
74	1	2008	S245000000001200	8.75	11.30	20.05	1.93
75	1	2008	W155300000000100	5.52	7.90	13.42	1.56
76	1	2008	S245000000001200	4.24	5.48	9.72	0.93
77	1	2007	G160000000002200	174.27	291.90	466.17	61.43
78	1	2007	N540000041000200	85.33	127.27	212.60	23.42
79	1	2007	O310009000001300	8.39	12.29	20.68	2.20
80	1	2007	D320000060000202	6.09	9.27	15.36	1.76
81	1	2007	M475000002001600	6.97	9.47	16.44	1.50
82	1	2007	S245000000001200	4.43	6.25	10.68	1.06
83	1	2006	B157000000005500	43.14	65.21	108.35	10.68
84	1	2006	D320000060000202	26.73	43.88	70.61	8.18
85	1	2006	W380000238000005	19.55	29.96	49.51	5.02
86	1	2006	W230000052000300	8.47	13.75	22.22	2.52
87	1	2006	L605098000001900	9.55	13.17	22.72	1.79
88	1	2006	R225001003001900	2.51	4.31	6.82	0.86
89	1	2006	R225001003001900	2.50	4.32	6.82	0.86
90	1	2004	B505000015000600	18.89	28.95	47.84	3.49
91	1	2004	M625500000000600	16.86	26.05	42.91	3.21
92	1	2004	B496504000032900	7.55	14.35	21.90	2.67
93	1	2004	B496504000032900	7.52	14.37	21.89	2.67
94	1	2004	W010000044001052	6.62	10.15	16.77	1.22
95	1	2003	W010000030000309	78.42	149.69	228.11	24.95
96	1	2002	G160000000002200	152.80	347.62	500.42	67.61
97	1	2002	S165000000002100	24.86	55.33	80.19	10.56
98	1	2002	L222500000001500	17.35	30.56	47.91	3.75

99	1	2002	S240000000009511	14.43	25.76	40.19	3.27
100	1	2001	G160000000002200	132.42	317.15	449.57	60.98
101	1	2001	M355000073002600	12.46	28.38	40.84	5.12
102	1	2000	G160000000002200	127.63	320.99	448.62	61.07
103	1	2000	E540000002002100	31.19	62.74	93.93	8.00
104	1	2000	E540000002002100	31.19	62.73	93.92	8.00
105	1	1999	G160000000002200	113.86	300.02	413.88	56.53
106	1	1998	G160000000002200	113.86	313.68	427.54	58.58
107	1	1997	G160000000002200	114.61	329.51	444.12	61.03
108	1	1997	V380002003001400	29.78	73.00	102.78	10.32
109	1	1997	V380002003001400	17.87	43.80	61.67	6.19
110	1	1997	E330000203001200	4.46	12.39	16.85	2.20
111	1	1997	E330000203001200	4.46	12.39	16.85	2.20
112	1	1996	G160000000002200	109.13	326.85	435.98	60.08
113	1	1996	W74000011B000900	5.85	15.28	21.13	2.24
114	1	1996	S144000000005100	4.58	11.98	16.56	1.76
115	1	1996	A080098000111600	3.12	9.48	12.60	1.75
116	1	1996	H120000121002900	6.37	14.91	21.28	1.67
117	1	1995	G160000000002200	104.58	325.77	430.35	59.45
118	1	1995	A080000000114909	6.02	17.44	23.46	2.86
119	1	1995	A080000000114909	6.02	17.44	23.46	2.86
120	1	1995	J570000001001034	8.88	22.64	31.52	2.82
121	1	1995	S144000000005100	1.09	2.98	4.07	0.44
122	1	1994	G160000000002200	71.75	232.11	303.86	42.08
123	1	1994	J570000001001034	3.71	9.90	13.61	1.25
124	1	1993	G160000000002200	63.16	211.90	275.06	38.18
125	1	1992	G160000000002200	61.89	215.06	276.95	38.53
126	1	1992	L670000017000500	44.17	134.80	178.97	19.28
127	1	1991	G160000000002200	58.60	210.67	269.27	37.53
128	1	1991	L670000017000500	17.66	56.01	73.67	8.03
129	1	1990	G160000000002200	57.63	214.10	271.73	37.95
130	1	1989	G160000000002200	57.66	221.13	278.79	39.01
131	1	1988	G160000000002200	56.10	221.87	277.97	38.96
132	1	1987	G160000000002200	43.11	175.67	218.78	30.72
133	1	1986	G160000000002200	41.80	175.36	217.16	30.54
134	1	1985	G160000000002200	0.77	3.32	4.09	0.58
135	1	1982	S120000000003100	2.29	10.67	12.96	1.82
136	17	1982	S120000000003100	0.35	1.59	1.94	0.27
137	1	2017	W380000544000003	20.18	14.06	34.24	4.63
138	1	2009	1005900000000755	8.13	10.74	18.87	2.19
139	1	1992	L605098000005413	4.47	13.89	18.36	2.06

COUNTY of HIDALGO



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December 20, 2024

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

Re: Hidalgo County Constable Precinct No. 5 Payroll Audit – Audit No. 2024-62

Dear Constable Marichalar:

We completed a payroll audit of Constable Precinct No. 5 Office pursuant to Local Government Code §115.001. The objectives of the audit were to determine whether employees:

1. Clocked in and out using the biometric time and attendance application.
2. Timesheets and leave request forms were properly prepared and approved.
3. Were properly compensated for hours worked.
4. Were paid at or below the approved budget.

The audit was performed due to a concern that certain Constable Precinct No. 5 employees were compensated for hours not worked.

Executive Summary:

Based on the audit results, we determined that employees were paid at or below the approved budget; however, we could not determine if employees were properly compensated for hours worked. In addition, we noted that improvements could be made to the procedures in place to ensure all employees “clock in” and “clock out” using the biometric time and attendance application and that timesheets and leave request forms are properly prepared and approved.

Background:

Local Government Code §157.021(a) provides that “in a county with a population of 355,000 or more, the commissioners court may adopt and enforce uniform rules on the hours of work of department heads, assistants, deputies, and other employees whose compensation is set or approved by the court.”

Biometric Electronic Clock Policy

On June 11, 2013, the Commissioners Court approved the Biometric Electronic Clock Policy. According to the Policy, “the biometric electronic timekeeping system shall become an official basis for recording time worked by Hidalgo County employees. All employees are required to “clock in” in the morning, “clock out” during their lunch hour, “clock in” upon return to work, “clock out” anytime they leave the office for more than twenty (20) minutes for non-work-related matters, and “clock out” at the end of the workday. Elected Officials may direct employees to “clock in” and “clock out” throughout the workday as appropriate.

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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Any employees working at an off-site location or attending a training session, seminar, or conference with the express written permission of their Department Head/Elected Official must report time worked to their immediate supervisor so that time worked is entered or modified and presented using an approved timekeeping method. Each supervisor and employee will be responsible for recording time worked. By signing the time and attendance record, the supervisor and employee certify the accuracy of the information as presented.

Biometric Time and Attendance Application

Hidalgo County has implemented the Biometric Time and Attendance Application (TAAP) to collect employee daily records of time worked plus any eligible paid and/or unpaid leave hours. TAAP verifies the employee's identity based on a county-issued identification badge and the employee's fingerprint; generates timesheets and punch logs; and is used to submit leave requests and/or modifications to punch logs. All employees are required to utilize TAAP.

Civil Service Commission Rules

The Civil Service Commission was created under the authority of Chapter 158 of the Local Government Code. The Civil Service Commission "Rules" supersede all county personnel policies in conflict with the rules set by the Civil Service Commission. The Rules do not restrict County departments from establishing other departmental policies and procedures governing the operation of County departments so long as such policies and procedures do not conflict with these Rules, are consistent with good employment practices, and promote equal employment opportunity.

According to §7.01, effective May 1, 1995, the County's regular work period for "law enforcement personnel," as such term is used in the federal Fair Labor Standards Act, is a fourteen-day period that commences at 12:01 a.m. on Monday and ends at 12:00 p.m. midnight 14 days later.

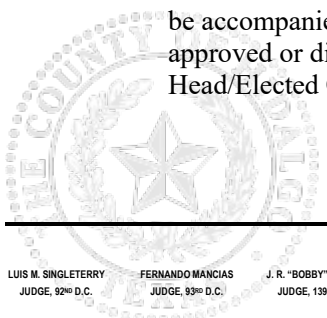
According to §7.06, an employee's time and attendance record should coincide with an employee's work period. A completed time and attendance record is completed and turned in to the payroll no later than 10:30 a.m. on the first employee work day following two seven-day work periods or one fourteen-day work period.

Pursuant to §7.08, an employee's paycheck is based on the hours worked by the employee during the applicable work period(s), plus any eligible hours of paid leave, all as shown on a signed time and attendance record.

Pursuant to §7.10, each Elected Official/Department Head must require that his or her employees keep daily records of time worked and leave taken. Each Elected Official/Department Head must report all additional time worked for FLSA-covered employees.

Pursuant to §7.11, except in unusual circumstances, the Elected Official/Department Head must have requested and approved, in advance, that an employee work extra hours or overtime hours. An example of an unusual circumstance is when an off-duty worker responds to an emergency. In this case, the employee is required to report the emergency and its circumstances to the Elected Official/Department Head at the beginning of the employee's next workday.

Pursuant to §7.20, every request for leave must: (a) be submitted in writing to the Department Head/Elected Official and signed by the employee; (b) clearly reflect when the requested leave is to begin and end; (c) include a brief explanation setting forth the reasons for taking the requested leave; (d) to the extent applicable, be accompanied by any required documentation, such as a doctor's statement or military orders; and (e) be approved or disapproved in writing by the employee's supervisor, and if required, by the Department Head/Elected Official and/or the Governing Authority or its representative.



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Hidalgo County Personnel Policy Manual

The Hidalgo County Personnel Policy Manual “Manual” was adopted by the Commissioners Court of Hidalgo County and replaced the previously approved Hidalgo County Personnel Policy Manual effective October 1, 1991. The most recent revision to the Manual was made on June 3, 2008. The Manual does not restrict County departments from establishing other departmental policies and procedures governing the operation of County departments so long as such policies and procedures do not conflict with the Manual, are consistent with good employment practices, and promote equal employment opportunity.

According to §7.06, an employee's time and attendance record (Non-Law Enforcement Personnel and Law Enforcement Personnel forms) should coincide with an employee's work period. A completed time and attendance record is completed and turned in to the payroll section of the County Treasurer’s office no later than 10:30 a.m. on the first employee workday following two seven-day work periods or one fourteen-day work period.

Pursuant to §7.08, an employee's paycheck is based on the hours worked by the employee during the applicable work period(s), plus any eligible hours of paid leave, all as shown on a signed time and attendance record.

Pursuant to §7.10, each Elected Official/Department Head must require that his or her employees keep daily records of time worked and leave taken. Each Elected Official/Department Head must report all additional time worked for FLSA-covered employees.

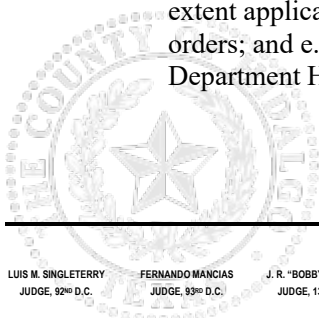
Pursuant to §7.11, except in unusual circumstances, the Elected Official/Department Head must have requested and approved, in advance, that an employee work extra hours or overtime hours. An example of an unusual circumstance is when an off-duty worker responds to an emergency. In this case, the employee is required to report the emergency and its circumstances to the Elected Official/Department Head at the beginning of the employee's next workday.

According to §7.13, the Elected Official/Department Head tracks and reports hours worked and leave used using the following forms: Time and Attendance Record for both the Non-Law Enforcement Personnel and Law Enforcement Personnel forms; Leave Request Form, Form P-1; Summary of Vacation, Sick Leave and Holiday, Form P-2; 12 Month Period Summary of Leave Taken under the Family and Medical Leave Act of 1993 (FMLA), Form P-3; Request to Pay Accumulated Comp-Time, Form P-4; Request for Extended Sick Leave, Form P-5; and Sick Leave Donation, Form P-6.

According to §8.02, Elected Officials/Department Heads administer the County leave and benefit programs according to law and regulations. They are responsible for determining eligibility for paid leave for their employees and ensuring that a leave account is established and maintained for each employee.

According to §8.03, an Elected Official or Department Head may designate personnel from his or her office to be responsible for controlling absence and leave administration. Such delegation, however, does not relieve each Elected Official or Department Head of his or her ultimate responsibility for maintaining leave records on his or her employees.

According to §8.05, every leave request for leave must: a.) be submitted to the Department Head/Elected Official, in writing, on a Form P-1, which is signed by the employee; b.) reflect when the requested leave is to begin and end; c.) include a brief explanation setting forth the reasons for taking the requested leave; d.) to the extent applicable, be accompanied by any required documentation, such as a doctor’s statement or military orders; and e.) be approved or disapproved, in writing, by the employee’s supervisor, and if required, by the Department Head/Elected Official and/or the Governing Authority or its representative.



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Hidalgo County Constable Precinct No. 5 Standard Operating Procedures

The Constable Precinct No. 5 established formal procedures governing the operation of the Office. According to the procedures, although considered on duty and subject to call at all times, a deputy’s regular tour of duty will be a shift of not less than eight hours. An exception to the rule shall include flex time as ordered.

Workday or work shift shall consist of at least eight hours during a twenty-four-hour period. A work week shall consist of seven days, beginning at 12:01 A.M. on Monday and ending on the following Sunday at midnight. Employees will be scheduled to work for a minimum of forty regular hours of work during any one work week. The County’s Policy on Work Weeks, located in the Hidalgo County Civil Service Manual, will be strictly followed.

All employees are subject to working extra hours beyond Hidalgo County’s operating hours. Employees shall be compensated for extra hours as appropriate and according to established County policy. Extra hours may consist of the employee being called back to work while off-duty or other reasonable changes in the hours of work, days off, or assignments, subject to the needs of the Constable’s Office.

Supervisors will submit a daily list of all employees cataloging assignments, hours of work, hours not worked, regular days off, vacations, time taken off due to illness, and other categories of time worked or not worked to the timekeeper.

Vacation requests will be submitted on the county’s employee portal, and the employee’s immediate supervisor will be notified of the submission. All vacation requests shall be submitted at the earliest 60 days before the day requested but no later than 14 days before the day requested. A supervisor will be responsible for ensuring that each employee’s request for vacation is considered so that all employees have equal opportunity to schedule their time. If an employee feels he/she is not given proper consideration, an appeal may be made through the chain of command. Any vacation schedule changes must be submitted and approved through the Chief Deputy. No two (2) deputies may be out on vacation at the same time.

Each employee is responsible for tracking his/her eligible leave time. This includes but is not limited to vacation, compensatory, holiday, sick, or any other time the employee may request off.

The Constable Precinct No. 5 implemented a “Leave Request Form” for annual, sick, comp-time, and holiday leave. The form requires employees to list the leave time available, number of hours requested off, leave remaining balance, leave dates, return to regular duties date, reason for leave request, the employee’s signature, date requested, and approved or disapproved sections for both the Chief Deputy and Constable, and remarks by the Chief Deputy and/or Constable.

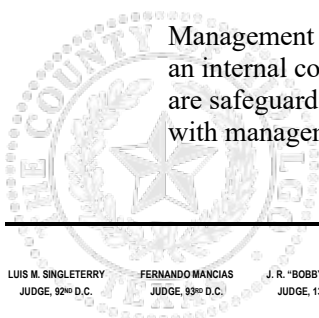
During the period in review, Constable Precinct No. 5 employed 8 employees and 1 Elected Official.

Scope and Methodology:

The audit’s scope was limited to reviewing timesheets, *TAAP Punch Log Reports*, *TAAP Leave Taken Reports*, leave request forms, and *LINQ Labor Distribution Reports* for pay periods 1 through 15 (December 18, 2023, through July 14, 2024) for the year 2024.

The audit was not designed or intended to be a detailed study of every relevant internal control system, procedure, or entry. Accordingly, the opportunities for improvement presented in this report may not include all areas where improvement could be made.

Management is responsible for establishing and maintaining a sound internal control system. 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.



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In planning and performing the audit, we conducted questionnaires, requested camera footage, door access logs, and telephone logs, and performed the following procedures:

1. Reviewed *TAAP Punch Log* Reports provided by the Information Technology Department to determine if the 8 Constable Precinct No. 5 employees utilized TAAP to “clock in” and “clock out” as required by the Biometric Electronic Clock Policy.
2. Reviewed 120 timesheets to determine if they were approved by the employee and Supervisor/Department Head as required by the Hidalgo County Personnel Policy Manual §7.06 and the Civil Service Commission Rules §7.06.
3. Reviewed 71 randomly selected leave adjustments recorded on the *TAAP Leave Taken* Report to determine if a leave request form was properly prepared and approved pursuant to the Hidalgo County Personnel Policy Manual §8.05, Civil Service Commission Rules §7.20, and Hidalgo County Constable Precinct No. 5 Standard Operating Procedures.
4. Compared 120 timesheets to the *LINQ Labor Distribution Report* for 8 employees to determine if the employees were paid at or below the approved budget and properly compensated for hours worked.

Conclusion:

Based on the audit results, we determined that employees were paid at or below the approved budget; however, we could not determine if employees were properly compensated for hours worked. In addition, we noted that improvements could be made to the procedures in place to ensure all employees “clock in” and “clock out” using the biometric time and attendance application and that timesheets and leave request forms are properly prepared and approved. More specifically, we noted the following:

1. All 8 employees did not use TAAP to “clock in” and “clock out.” According to staff, TAAP was set up to auto-generate the punch entries; however, when an employee took leave, they notified a staff member from the IT Department to modify the timesheets.

In July 2024, Constable Precinct No. 5 was trained to use TAAP; however, we noted that it is currently not being used in accordance with the Biometric Electronic Clock Policy. Automatic system-generated punches are still being used, manual modifications are used to record hours worked, and employees do not consistently approve their timesheets.

2. Of the 120 timesheets:
 - 90 were not approved by the employee and the Supervisor/Department Head.
 - 30 were approved by the employee and the Supervisor/Department Head since the timesheets were for employees paid by a grant.

According to staff, they did not have the electronic access to approve timesheets.

3. Of the 71 leave-related adjustments;
 - 11 had a leave request form
 - 4 of 11 leave request forms were properly submitted and approved.
 - 7 of 11 leave request forms were missing the Supervisor/Department Head's signature of approval.
 - 60 did not have a leave request form.

According to staff, a leave request form was only prepared if the request was made in advance.

4. All 8 employees were paid at or below their approved budget.

Since TAAP was not used to “clock in” and “clock out,” to determine whether employees were properly compensated for hours worked, we requested camera footage, door access logs, and telephone logs; however, although cameras were installed, they were not recording. In addition, there were no door access logs since the

HIDALGO COUNTY DISTRICT JUDGES

entrances required a key instead of a badge. Furthermore, the telephone records were available for only a month.

Recommendations:

In our opinion, the issues identified during the audit could be addressed by developing and implementing formal monitoring procedures and internal controls to ensure that:

1. All employees use TAAP to “clock in” and “clock out.” This includes discontinuing automatic system-generated punches, discontinuing the practice of preparing manual modifications, and ensuring that employees approve their timesheets. If employees are not working the day timesheets are due, they should review and approve their timesheets soon after they return to work.
2. Timesheets, related leave forms, and compensatory time request forms are properly prepared and approved.

In addition, management should coordinate with the Information Technology Department and Facilities Management to ensure that cameras record video footage, install badge access controls, and install TAAP on the Deputy Constables' vehicle laptops.

Please provide a management response to the observations noted above by January 6, 2025. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

We want to thank you and your staff for your courtesy, cooperation, and assistance during the audit. If you have any questions, please contact Francisco Saenz, Internal Auditor IV, at (956) 318-2511, ext. 4667; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654; or me at ext. 4651.

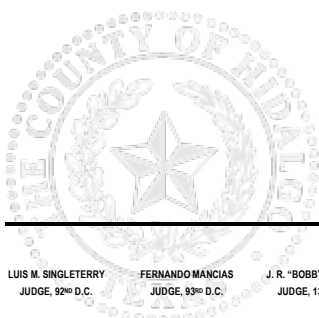
Respectfully,



Letty Chavez
County Auditor

Enclosure: Management Response Forms

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Daniel Salinas, Director, Information Technology Department
Mr. Oscar Villareal, Director, Facilities Management



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

AUDITEE:	<u>Constable Precinct No. 5</u>	AUDIT NO.:	<u>2024-62</u>
AUDIT:	<u>Constable Pct. No. 5 Payroll Audit</u>	MANAGEMENT RESPONSE DUE:	<u>January 6, 2025</u>
FINDING No.:	<u>2</u>	RECOMMENDATION:	<u>2</u>

Timesheets, related leave forms, and compensatory time request forms are properly prepared and approved.

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

December 26, 2024

The Honorable Andrew Gonzalez
Hidalgo County Justice of the Peace Pct. 1, Pl. 2
1902 Joe Stephens, Suite 302
Weslaco, Texas 78596

Re: JP Precinct 1 Place 2 Asset Inventory Listing Audit No. 2024-96

Dear Judge Gonzalez:

The County Auditor's Office practices conducting asset inventory audits when a change in administration occurs; therefore, we conducted an audit of the Justice of the Peace Precinct 1 Place 2 asset inventory listing pursuant to Local Government Code §115.001. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of JP Precinct 1 Place 2.

BACKGROUND:

The Justice of the Peace, as an elected official, is inherently responsible for ensuring that County assets in the custody of the Justice of the Peace are properly accounted for, safeguarded, and disposed of. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the Justice of the Peace;
- Ensuring assets are properly tagged;
- Conducting periodic physical inventories of assets;
- Ensuring assets are only used for County purposes;
- Safeguarding assets in the Department's possession until disposal;
- Filing police reports in the event an asset is lost or stolen;
- Preparing an asset transfer form when transferring assets to or from other departments; and
- Requiring that a formal request and approval from the Department Head or Designee be obtained when equipment is taken off county premises, including off-site for repairs.

Employees of the Justice of the Peace are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent such assets' loss, damage, or theft.

As of November 18, 2024, the JP Precinct 1 Place 2 asset inventory listing consisted of 14 assets with a total acquisition cost of \$31,177.07

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SCOPE AND METHODOLOGY:

The scope of the audit was limited to the asset inventory listing as of November 18, 2024. The audit 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.

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.

In conducting the audit, the following procedures were performed:

- Selected all 14 assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the JP Precinct 1 Place 2 premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of the review, we concluded that the JP Precinct 1 Place 2 inventory listing per *Ingenium* was generally accurate and complete. More specifically, the following was noted:

- 14 (100%) assets were physically located. Of the 14 assets:
 - 14 contained an asset tag (Exhibit A).
 - 13 assets were traced to the asset inventory listing utilizing the asset tag number, description, and serial number.
 - 1 asset (tag number 58605) was traced to the asset inventory listing utilizing the asset tag number and description. The serial number on the asset inventory listing in *Ingenium* did not match the serial number on the asset.

We physically located 19 assets that were not included in the asset inventory listing. Of the 19 assets (Exhibit B):

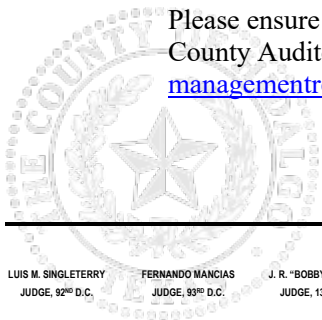
- 11 assets (tag numbers 78716, LE5039, LE5045, LE5064, LE5194, LE5201, LE5232, LE5303, LE5883, LE5886, and LE5899) were tagged; however, they were on the asset inventory listing of the IT Department. No asset transfer forms were submitted by staff.
- 8 assets (tag numbers 86859, 86863, 86865, 86866, 86867, 86868, 86870, and 86872) were tagged; however, they were on the asset inventory listing of the Commissioner Precinct 1 Department. No asset transfer forms were submitted by staff.

RECOMMENDATION:

Management should coordinate with the Purchasing Department to take corrective action to address the deficiencies identified in the audit and ensure the asset inventory listing is updated, as follows:

1. The Purchasing Department should update the serial number on the asset inventory listing for asset tag number 58605 (Exhibit A); and
2. An asset transfer form should be prepared to document the transfer/removal of the 19 assets (Exhibit B).

Please ensure that corrective action is finalized and an updated asset inventory listing is submitted to the County Auditor’s Office by Friday, January 10, 2025. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us. Your prompt response is greatly appreciated.



HIDALGO COUNTY DISTRICT JUDGES

If you have any questions, don't hesitate to contact Alejandro Torres, Internal Auditor III, at 318-2511, ext. 4667; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654; or me at ext. 4651.

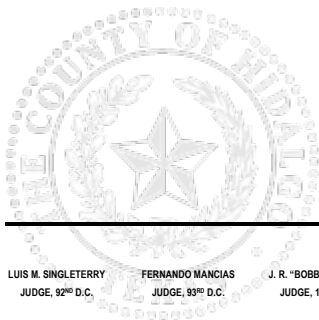
Respectfully,



Letty Chavez
County Auditor

Enclosure: Exhibit A, Exhibit B, and Management Response Form

cc: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Ignacio Amezcua, Hidalgo County Purchasing Agent



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Exhibit A

Tag No.	Tag Description	Serial No. in Ingenium	Correct Serial No.	Cost	Location
1 58605	IPAD	DN6JESDDF JI	DN6JJESDDF JI	\$ 1,037.98	Judge Chambers

EXHIBIT B

	Tag Number	Item Description	Serial No.	Physical Location	Ingenium Location as of 12/11/24
1	78716	SAMSUNG NOTEBOOK 7 i7 LAPTOP - 15.6in	1AC891AM60	Court Room	INFORMATION TECHNOLOGY
2	LE5039	DELL PRECISION 3460 COMPUTER	JK611V3	Judge Chambers	INFORMATION TECHNOLOGY
3	LE5045	DELL PRECISION 3460 COMPUTER	74011V3	Court Coordinator	INFORMATION TECHNOLOGY
4	LE5064	DELL PRECISION 3460 COMPUTER	61X07V3	Admin Desk	INFORMATION TECHNOLOGY
5	LE5194	DELL PRECISION 3460 COMPUTER	12X01V3	Admin Desk	INFORMATION TECHNOLOGY
6	LE5201	DELL PRECISION 3460 COMPUTER	47J11V3	Admin Desk	INFORMATION TECHNOLOGY
7	LE5232	DELL PRECISION 3460 COMPUTER	C5F11V3	Admin Desk	INFORMATION TECHNOLOGY
8	LE5303	DELL PRECISION 3460 COMPUTER	6C311V3	Court Room	INFORMATION TECHNOLOGY
9	LE5883	DELL PRECISION 3460 COMPUTER	18J11V3	Court Room	INFORMATION TECHNOLOGY
10	LE5886	DELL PRECISION 3460 COMPUTER	9IX01V3	Admin Desk	INFORMATION TECHNOLOGY
11	LE5899	DELL PRECISION 3460 COMPUTER	CRS01V3	Court Room	INFORMATION TECHNOLOGY
12	86859	JADE SCA5100C AIR PURIFIER	J2W25999B	Court Coordinator	COMMISSIONER PRECINCT 1
13	86863	JADE SCA5100C AIR PURIFIER	J2W26711A	Court Room	COMMISSIONER PRECINCT 1
14	86865	JADE SCA5100C AIR PURIFIER	J2W26705A	Court Room	COMMISSIONER PRECINCT 1
15	86866	JADE SCA5100C AIR PURIFIER	J2W26001B	Court Room	COMMISSIONER PRECINCT 1
16	86867	JADE SCA5100C AIR PURIFIER	J2W260006B	Court Room	COMMISSIONER PRECINCT 1
17	86868	JADE SCA5100C AIR PURIFIER	J2W26430B	Reception Desk	COMMISSIONER PRECINCT 1
18	86870	JADE SCA5100C AIR PURIFIER	J2W26704A	Lobby	COMMISSIONER PRECINCT 1
19	86872	JADE SCA5100C AIR PURIFIER	J2W26677A	Admin/recep.	COMMISSIONER PRECINCT 1



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

AUDITEE:	The Honorable Andrew Gonzalez	AUDIT NO.:	2024-96
AUDIT:	Justice of the Peace Pct. 1, Pl. 2 Asset Inventory Listing	MANAGEMENT RESPONSE DUE:	January 10, 2025
FINDING No.:	1	RECOMMENDATION:	1

The Purchasing Department should update the serial number on the asset inventory listing for the asset that contained the incorrect serial number (Exhibit A).

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:	The Honorable Andrew Gonzalez	AUDIT NO.:	2024-96
AUDIT:	Justice of the Peace Pct. 1, Pl. 2 Asset Inventory Listing	MANAGEMENT RESPONSE DUE:	January 10, 2025
FINDING No.:	2	RECOMMENDATION:	2

An asset transfer form should be prepared to document the transfer/removal of the 19 assets (Exhibit B).

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

December 26, 2024

The Honorable Dr. Sonia M. Treviño
Justice of the Peace, Pct. 3, Pl. 1
730 N. Breyfogle Suite C
Mission, TX 78574

Re: JP Precinct 3 Place 1 Asset Inventory Listing Audit No. 2024-97

Dear Judge Treviño:

The County Auditor's Office practices conducting an asset inventory audit when a change in administration occurs; therefore, we conducted an audit of the Justice of the Peace Precinct 3 Place 1 asset inventory listing pursuant to Local Government Code §115.001. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of JP Precinct 3 Place 1.

BACKGROUND:

The Justice of the Peace, as an elected official, is inherently responsible for ensuring that County assets in the custody of the Justice of the Peace are properly accounted for, safeguarded, and disposed of. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the Justice of the Peace;
- Ensuring assets are properly tagged;
- Conducting periodic physical inventories of assets;
- Ensuring assets are only used for County purposes;
- Safeguarding assets in the Department's possession until disposal;
- Filing police reports in the event an asset is lost or stolen;
- Preparing an asset transfer form when transferring assets to or from other departments; and
- Requiring that a formal request and approval from the Department Head or Designee be obtained when equipment is taken off county premises, including off-site for repairs.

Employees of the Justice of the Peace are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent such assets' loss, damage, or theft.

As of November 18, 2024, the JP Precinct 3 Place 1 asset inventory listing consisted of 23 assets with a total acquisition cost of \$34,039.60

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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SCOPE AND METHODOLOGY:

The scope of the audit was limited to the asset inventory listing as of November 18, 2024. The audit 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 include all areas where improvement could be made.

Management is responsible for establishing and maintaining a sound internal control system. 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.

In conducting the audit, the following procedures were performed:

- Selected all 23 assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the JP Precinct 3 Place 1 premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of our review, we concluded that the JP Precinct 3 Place 1 inventory listing per *Ingenium* was generally accurate and complete. Specifically, all 23 (100%) assets were physically located and contained an asset tag.

We physically located 1 asset LE5392 (Dell Precision 3460 Computer) that was not included on the asset inventory listing. However, the asset was added to the asset inventory listing of the JP Precinct 3 Place 1 during the review.

RECOMMENDATION:

Management should continue with the procedures to ensure that assets on the inventory listing are properly tagged and complete.

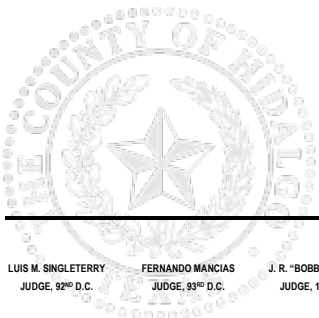
If you have any questions, don't hesitate to contact Alejandro Torres, Internal Auditor III, at 318-2511, ext. 4667; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654; or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Debra Gonzalez, Court Coordinator, JP Precinct 3 Place 1
Mr. Ignacio Amezcua, Hidalgo County Purchasing Agent



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

December 26, 2024

The Honorable Judge Mario E. Ramirez, Jr.
332nd State District Court
100 N. Closner
Edinburg, Texas 78539

Re: 332nd District Court Asset Inventory Listing No. 2024-98

Dear Judge Ramirez:

The County Auditor's Office practices conducting an asset inventory audit when a change in administration occurs; therefore, we conducted an audit of the 332nd District Court asset inventory listing pursuant to Local Government Code §115.001. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of the 332nd District Court.

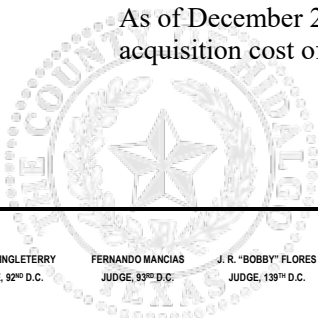
BACKGROUND:

The Judge of the District Court, as an elected official, is inherently responsible for ensuring that County assets in the custody of the District Court are properly accounted for, safeguarded, and disposed of. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the District Court;
- Ensuring assets are properly tagged;
- Conducting periodic physical inventories of assets;
- Ensuring assets are only used for County purposes;
- Safeguarding assets in the Department's possession until disposal;
- Filing police reports in the event an asset is lost or stolen;
- Preparing an asset transfer form when transferring assets to or from other departments; and
- Requiring that a formal request and approval from the Department Head or Designee be obtained when equipment is taken off County premises, including when taken off-site for repairs.

District Court employees are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent such assets' loss, damage, or theft.

As of December 2, 2024, the 332nd District Court asset inventory listing consisted of 30 assets with a total acquisition cost of \$54,243.81.



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.

SCOPE AND METHODOLOGY:

The scope of our audit was limited to the asset inventory listing as of December 2, 2024. Our audit 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.

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.

In conduction the audit, the following procedures were performed:

- Selected all 30 assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the 332nd District Court premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of our review, we have concluded that the 332nd District Court’s inventory listing per *Ingenium* was generally accurate and complete. More specifically, the following was noted:

- 30 (100%) assets were physically located. Of the 30 assets:
 - 25 contained an asset tag (Exhibit A).
 - 23 assets were traced to the asset inventory listing utilizing the asset tag number, description, and serial number.
 - 2 assets (tag numbers LE0491 & 018249) were traced to the asset inventory listing utilizing the asset tag number and description. The serial number on the asset inventory listing in *Ingenium* did not agree with the serial number on the asset (Exhibit A).
 - 5 assets did not contain an asset tag (Exhibit B). The assets were traced to the asset inventory listing utilizing the description. 1 asset consisted of 140 law books.

We physically located 3 assets not included in the asset inventory listing (Exhibit C). The 3 assets (tag numbers LE2160, LE2180, and LE2220) were tagged; however, they were on the IT department's asset inventory listing. No asset transfer forms were submitted by staff.

RECOMMENDATION:

Management should coordinate with the Purchasing Department to take corrective action to address the deficiencies identified in the audit and ensure the asset inventory listing is updated, as follows:

1. The Purchasing Department should update the serial number on the asset inventory listing for the assets that contain the incorrect serial number (Exhibit A).
2. The Purchasing Department should ensure that all fixed assets have an affixed asset tag. The 332nd District Court should maintain the asset tag for the 140 law books on file (Exhibit B).
3. An asset transfer form should be prepared to document the transfer/removal of the 3 assets (Exhibit C).

Please ensure that corrective action is finalized and an updated asset inventory listing is submitted to the County Auditor’s Office by Friday, January 10, 2025. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us. Your prompt response is greatly appreciated.

HIDALGO COUNTY DISTRICT JUDGES

If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-2511, ext. 4641
Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext.
4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654; or me, at ext. 4651.

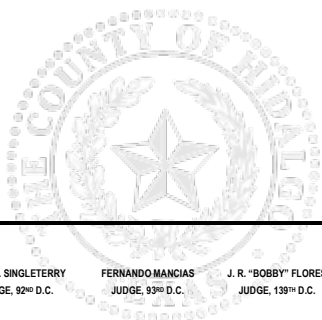
Respectfully,



Letty Chavez
County Auditor

Enclosures: Exhibit A, B, C, and Management Response Forms

cc: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, Commissioners Court Executive Officer
Ms. Imelda Barrera, Court Coordinator, 332nd District Court
Mr. Ignacio Amezcua, Hidalgo County Purchasing Agent



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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Exhibit A

	Tag No.	Tag Description	Serial No.	Correct Serial No.	Cost	Location
1	LE0491	RICOH IMC4500 MFP	C825238604	C85238604	\$ 8,318.88	Balif and Assistant Coordinator Room
2	018249	XSCRIBE STENORAM II -XSR-2126	X5R2-2126	XSR2-2126	\$ 2,196.50	Storage Room

EXHIBIT B

	Tag Number	Item Description	Serial No.	Physical Location
1	47145	HANOVER EXEC TILT SW	N/A	Court Room Supply Room
2	43888	LAW BOOKS (qty 140)	N/A	Judge Office
3	43889	DESK SINGLE PED (MAHOGANY)	N/A	Judge Office
4	77631	TRADITIONAL LEATHER EXECUTIVE CHAIR	N/A	Court Room
5	77632	TRADITIONAL LEATHER EXECUTIVE CHAIR	N/A	Jury Room 290

EXHIBIT C

	Tag Number	Item Description	Serial No.	Physical Location	Ingenium Location as of 12/11/24
1	LE2160	DELL PRECISION 3450 COMPUTER	4NH53Q3	Balif and Assistant Coordinator Room	Information Technology
2	LE2180	DELL PRECISION 3450 COMPUTER	8NH53Q3	Coordinators Office	Information Technology
3	LE2220	DELL PRECISION 3450 COMPUTER	96V53Q3	Court Reporter Door 282	Information Technology



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

AUDITEE:	<u>The Honorable Judge Mario E. Ramirez, Jr.</u>	AUDIT NO.:	<u>2024-98</u>
AUDIT:	<u>332nd District Court Asset Inventory Listing</u>	MANAGEMENT RESPONSE DUE:	<u>January 10, 2025</u>
FINDING No.:	<u>1</u>	RECOMMENDATION:	<u>1</u>

The Purchasing Department should update the serial number on the asset inventory listing for the asset that contained the incorrect serial number (Exhibit A)

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>The Honorable Judge Mario E. Ramirez, Jr.</u>	AUDIT NO.:	<u>2024-98</u>
AUDIT:	<u>332nd District Court Asset Inventory Listing</u>	MANAGEMENT RESPONSE DUE:	<u>January 10, 2025</u>
FINDING No.:	<u>3</u>	RECOMMENDATION:	<u>3</u>

An asset transfer form should be prepared to document the transfer/removal of the 3 assets (Exhibit C).

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

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

January 10, 2025

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

Re: November 2024 DTA Payment Request Report No. 2024-59

Dear Mr. Villarreal:

We completed a limited-scope review of the November 2024 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 whether 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 LGBS's November 2024 DTA payment request for \$163,078.82.

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 November 30, 2024. 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 November 2024."
- 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 DTA fees collected agreed with the amount transferred to the Hidalgo County Treasurer's Office.

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 November 2024."

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Although DTA fees for 120 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 (118 tax accounts) and small amounts (2 tax accounts) (see Exhibit A).
- The total DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for November 2024 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, don't hesitate to get in touch with Francisco Saenz, Internal Auditor IV, at (956) 318-2511, ext. 4667, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosure: Exhibit A

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

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2022	V051503000003500	541.17	149.27	690.44	99.85
2	1	2022	A370000012001400	265.65	73.28	338.93	49.01
3	1	2022	B190043000002500	130.36	29.99	160.35	23.07
4	1	2022	L125000003000700	97.83	26.41	124.24	17.90
5	1	2022	S436000000001700	53.80	13.28	67.08	9.53
6	1	2022	C750004001000500	29.38	8.28	37.66	5.46
7	1	2022	D280000007000704	18.14	4.79	22.93	3.29
8	1	2022	A180000061001009	0.02	0.01	0.03	0.01
9	1	2021	L335400002000600	53.83	16.28	70.11	9.61
10	1	2021	G855500000002100	53.85	15.98	69.83	9.54
11	1	2021	C070000099000702	31.86	12.23	44.09	6.36
12	1	2021	C070000099000702	31.86	12.23	44.09	6.36
13	1	2021	S436000000001700	32.47	11.90	44.37	6.33
14	1	2021	S240000000001107	17.98	6.60	24.58	3.51
15	1	2021	C070000099000702	-31.86	-12.23	-44.09	-6.36
16	1	2020	R137701000004300	572.33	218.44	790.77	106.45
17	1	2020	D600003000002000	28.02	11.68	39.70	5.47
18	1	2020	S484601000002600	0.40	0.23	0.63	0.10
19	1	2019	D600003000002000	258.99	139.00	397.99	55.17
20	1	2019	R137701000004300	130.27	65.35	195.62	26.58
21	1	2019	E540000041001100	54.81	23.75	78.56	10.28
22	1	2018	P50050100D003800	59.90	32.75	92.65	12.40
23	1	2018	M340002000004500	31.20	19.93	51.13	7.06
24	1	2018	H120000092000100	27.36	13.17	40.53	5.09
25	1	2018	R137701000004300	22.52	14.00	36.52	5.00
26	1	2018	M340002000004500	15.60	9.96	25.56	3.53
27	1	2017	G51510000B001400	187.83	102.06	289.89	35.50
28	1	2017	T525002018003900	17.08	10.18	27.26	3.46
29	1	2017	A210000070000600	6.32	3.21	9.53	1.14
30	1	2017	V380002010001000	5.42	2.94	8.36	1.02
31	1	2016	L220002007000600	96.79	55.73	152.52	17.86
32	1	2016	G51510000B001400	67.10	44.51	111.61	13.89
33	1	2016	S073000000001500	38.98	29.95	68.93	9.12
34	1	2016	L055500000001500	25.74	17.08	42.82	5.33
35	1	2016	G51510000B001400	14.63	9.69	24.32	3.03
36	1	2016	G51510000B001400	14.61	9.70	24.31	3.03
37	1	2015	R095500000000100	240.00	240.19	480.19	67.67
38	1	2015	W380000290000004	230.20	155.58	385.78	44.54
39	1	2015	F105002000007600	179.44	121.26	300.70	34.72
40	1	2015	L220002007000600	96.79	67.35	164.14	19.60
41	1	2015	P811200000002400	46.98	31.13	78.11	8.81
42	1	2014	W380000290000004	230.20	183.20	413.40	48.69
43	1	2014	L220002007000600	96.79	78.96	175.75	21.34
44	1	2014	R284805000001000	75.48	67.75	143.23	18.23
45	1	2014	C070000101001320	92.31	66.39	158.70	16.34
46	1	2014	B403502000023600	31.31	34.31	65.62	9.16
47	1	2014	S160000000004815	40.73	32.55	73.28	8.67

48	1	2014	S160000000004815	25.90	20.60	46.50	5.52
49	1	2014	L020000000000900	10.40	11.47	21.87	3.06
50	1	2014	P275001000011100	9.83	7.47	17.30	1.92
51	1	2013	L220002007000600	48.14	45.05	93.19	11.48
52	1	2013	J570098005000205	13.76	14.81	28.57	3.78
53	1	2013	S160000000004815	14.12	12.91	27.03	3.26
54	1	2010	C005000000004905	46.47	52.17	98.64	9.97
55	1	2010	P640000062000500	50.74	52.73	103.47	8.98
56	1	2010	P640000062000500	50.73	52.72	103.45	8.98
57	1	2010	B190016000000200	25.07	26.39	51.46	4.59
58	1	2009	B157000000005500	42.57	49.20	91.77	8.24
59	1	2009	C005000000004905	35.30	43.87	79.17	8.21
60	1	2008	M015000062000401	9.54	13.71	23.25	2.70
61	1	2008	S245000000001200	8.73	11.32	20.05	1.93
62	1	2008	M167000000005600	6.26	7.94	14.20	1.30
63	1	2008	H425004014000409	0.13	0.20	0.33	0.04
64	1	2008	S245000000001200	-8.73	-11.32	-20.05	-1.93
65	1	2007	H425004014000409	61.63	95.27	156.90	18.30
66	1	2007	D320000060000202	36.05	55.02	91.07	10.38
67	1	2007	D320000060000202	36.06	55.01	91.07	10.38
68	1	2007	M167000000005600	33.68	46.79	80.47	7.63
69	1	2007	D320000060000202	22.70	34.62	57.32	6.53
70	1	2007	O310009000001300	8.38	12.30	20.68	2.20
71	1	2007	M475000002001600	6.96	9.49	16.45	1.49
72	1	2007	D320000060000202	-22.70	-34.62	-57.32	-6.53
73	1	2007	D320000060000202	-36.05	-55.02	-91.07	-10.38
74	1	2006	W220000003001100	127.46	175.37	302.83	23.52
75	1	2006	S477000000006600	16.21	26.05	42.26	4.67
76	1	2006	C500000003000801	14.46	23.18	37.64	4.25
77	1	2006	W2300000052000300	8.47	13.76	22.23	2.51
78	1	2006	L605098000001900	4.78	6.59	11.37	0.89
79	1	2006	R225001003001900	2.52	4.32	6.84	0.85
80	1	2005	V153000000002800	49.38	78.30	127.68	12.00
81	1	2005	A080000000114900	14.63	24.00	38.63	3.92
82	1	2004	W010000030000309	75.24	134.87	210.11	22.57
83	1	2004	L622000000009800	9.24	14.20	23.44	1.71
84	1	2004	W010000044001052	6.62	10.15	16.77	1.22
85	1	2004	B444301000002400	4.94	7.99	12.93	1.09
86	1	2003	L622000000009800	115.58	191.38	306.96	23.40
87	1	2003	W010000030000309	7.04	13.45	20.49	2.24
88	1	2003	S165000000002100	3.00	6.33	9.33	1.22
89	1	2003	C690000001000700	4.88	8.44	13.32	1.16
90	1	2003	C690000001000700	4.87	8.44	13.31	1.16
91	1	2002	L622000000009800	115.58	205.25	320.83	25.49
92	1	2002	S165000000002100	24.84	55.38	80.22	10.55
93	1	2002	S165000000002100	21.92	48.86	70.78	9.30
94	1	2002	M355000073002600	12.63	27.26	39.89	4.96
95	1	2002	L185002000001100	12.66	24.01	36.67	3.48
96	1	2002	L025000114000012	6.63	16.62	23.25	3.32
97	1	2002	S240000000009511	14.42	25.78	40.20	3.26
98	1	2001	L622000000009800	23.67	44.88	68.55	5.65

99	1	2001	M355000073002600	1.02	2.32	3.34	0.42
100	1	2000	S436000000000600	82.36	172.61	254.97	24.09
101	1	1999	C715002009002200	188.17	438.28	626.45	68.02
102	1	1998	C715002009002200	131.45	321.94	453.39	49.89
103	1	1998	M490000000009302	54.45	134.44	188.89	21.15
104	1	1997	V380002003001400	23.80	58.43	82.23	8.25
105	1	1997	V380002003001400	17.85	43.83	61.68	6.18
106	1	1997	W74000011B000900	6.21	15.51	21.72	2.26
107	1	1997	V380002003001400	5.95	14.61	20.56	2.06
108	1	1997	E330000203001200	2.22	6.20	8.42	1.10
109	1	1996	A080098000111600	3.13	9.47	12.60	1.75
110	1	1995	J570000001001034	12.92	32.97	45.89	4.11
111	1	1992	L670000017000500	62.57	191.19	253.76	27.31
112	1	1992	L670000017000500	62.57	191.19	253.76	27.31
113	1	1984	B505000007000100	3.39	13.33	16.72	1.84
114	12	1998	M490000000009302	2.38	5.87	8.25	0.92
115	17	1984	B505000007000100	0.55	2.18	2.73	0.30
116	1	2007	C695001000001300	6.32	9.85	16.17	1.91
117	1	2000	T527002000004100	7.61	17.00	24.61	2.70
118	1	2020	T543501000000200	73.60	36.25	109.85	15.79
119	1	2011	L065002006000600	11.74	12.68	24.42	2.72
120	1	1994	F225001001001300	7.71	23.09	30.80	3.70



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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www.hidalgocounty.us/294/Auditors-Office

January 29, 2025

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

Re: "B" Account Financial Statements for March 2023 through December 2024

Dear Sheriff Guerra:

We conducted a limited scope review of the "B" Account financial statements for the months ended March 2023 through December 2024 pursuant to Local Government Code §112.006 (a), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatement.

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

Executive Summary:

Based on the review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatement. However, we noted that the system of internal controls relevant to preparing the financial statements requires improvement, as noted in the following observation.

Observation No. 1:

We noted that voided checks, receipts, and deposit slips did not contain an explanation for the void, the date receipt was void, the cashier's signature, and/or the supervisor's signature of approval. In addition, voided checks, receipts, and deposit slips were not always submitted to the County Auditor's Office.

The County Auditor's Office requires that approval of a void checks, receipts, and deposit slips be obtained prior to voiding. Approval of void checks, receipts, and deposit slips should be limited to supervisors. The supervisor should ensure the original and all copies of the void checks, receipts, and deposit slips contain on the face of the receipt the word "void", an explanation for the void, the date of voided, the cashier's signature and the supervisor's signature of approval. In addition, the supervisor should ensure that if a new check, receipt, and/or deposit slip is issued, the voided number and the new number are cross-referenced. All copies of the voided checks, receipts, and deposit slips must be submitted to the Auditor's Office.

Failure to properly void checks, receipts, and deposit slips and submit them to the County Auditor's Office may result in the loss or misuse of County funds.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Recommendation:

Management should train staff regarding the proper procedures for voiding checks, receipts, and deposit slips. At a minimum, the procedures listed above should be implemented.

Please provide a management response to the observation noted above by February 13, 2025. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions, please contact Enrique Leal, Internal Auditor II, at (956) 318-2511, ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager II, Hidalgo County Sheriff's Office



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January 28, 2025

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

Re: Cash Count Report No. 2024-76

Dear Constable Avila:

We conducted a surprise cash count of the cash held at your office on November 7, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether the total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary:

There were no collections at the time of the cash count; however, we noted that the system of internal controls for collecting and safeguarding cash requires improvement. More specifically, we noted the following:

- The Administrative Assistant II performed incompatible duties;
- The “hot checks” list is not referenced when receiving a check; and
- Cash receipts were not deposited daily.

Scope:

The scope of our review was limited to counting the cash on hand as 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 include all 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 to verify that cash on hand was safeguarded against loss for unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during the audit included but were not limited to 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 counts; however, we noted that the system of internal controls for collecting and safeguarding 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Management is responsible for establishing and maintaining a sound internal control system. 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 segregation of duties over collecting and recording collections requires improvement. The Administrative Assistant II performs the following incompatible duties:

- Custody: Receives money, issues receipts, balances copies or receipts against the cash drawer, maintains a cash drawer, prepares deposits, and has access to the inventory of unused receipts.
- Approval: Compares listed mail receipts to recorded cash receipts.
- Recording: Accounts for the numerical sequence of cash receipts, maintains inventory log of unused cash receipts, prepares reports or cash received, and prepares monthly reports.

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 allows an individual 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 deposits, and having access to the inventory of unused receipts should be different from the individual responsible for comparing listed mail receipts to recorded cash receipts, accounting for the numerical sequence of cash receipts, maintaining inventory log of unused cash receipts, preparing reports of cash received, and preparing the monthly report.

Maintaining segregation of duties is especially challenging for units with few employees. In these cases, it is important that management institute compensating controls to cover for the lack of basic controls. In an environment with a limited number of clerical and administrative personnel, management must document, review, and approve 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 (e.g., rotating duties).

Observation No. 2:

We noted that the Constable Precinct 1 Office does not maintain a list of customers whose checks have been returned by the bank ("hot checks"). According to staff, they've never received a hot check before, and checks are only accepted from attorneys. Everyone else must pay with a money order. In addition, the cashier requests identification to verify the information on the check or money order.

The Auditors Office requires that a list 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 checklist should be referenced when receiving checks from customers. Checks

from customers on the hot checklist should not be accepted. The County Treasurer's Office will periodically provide a list of ("hot checks") to those departments that deposit in the county treasury or with the County Treasurer.

Failure to ensure a "hot check listing" is maintained and referenced increases the risk of loss of County funds.

Recommendation:

Management should ensure that the hot checklist is referenced when receiving checks from customers and request that the County Treasurer's office periodically send the "hot check" listing to the Constable's Office.

Observation No. 3:

We noted that the \$700.00 collections of November 5, 2024, were not deposited at the bank until November 8, 2024, and remitted to the Treasurer's Office until December 12, 2024.

The Auditors Office requires Cash receipts to be deposited intact daily unless the amount collected is less than \$100.00. Collections under \$100.00 must be deposited by the end of the work week.

Recommendation:

Management should ensure that staff deposits cash receipts daily unless the collections are under \$100.00.

Please provide a management response to the abovementioned observation on the attached Management Response Form by February 12, 2025. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss this cash count, please get in touch with Francisco Saenz, Internal Auditor IV, at 318-2511 ext. 4667, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosures: Management Response Form

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Joe Espinosa, Chief Deputy Constable, Constable Precinct No. 1



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

AUDITEE:	<u>Constable Pct. 1 Celestino Avila</u>	AUDIT NO.:	<u>2024-76</u>
AUDIT:	<u>Cash Count Report</u>	MANAGEMENT RESPONSE DUE:	<u>February 12, 2025</u>
FINDING No.:	<u>1</u>	RECOMMENDATION:	<u>1</u>

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 (e.g., rotating duties).

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:** _____



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January 28, 2025

The Honorable J.E. "Eddie" Guerra, Sheriff
Hidalgo County Sheriff's Office
711 El Cibolo Rd.
Edinburg, Texas 78540

Re: Regular Trust Financial Statements for September 2023 through December 2024

Dear Sheriff Guerra:

We conducted a limited scope review of the Regular Trust Fund financial statements for the months of September 2023 through December 2024 pursuant to Local Government Code §115.001. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

Executive Summary:

Based on the review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements. However, we noted that the system of internal controls relevant to the preparation of the financial statements requires improvement. More specifically, we noted that not all checks issued are listed in the "Check Register" report generated through *Odyssey*.

Observation No. 1

We noted discrepancies and/or variances with checks recorded on the Regular Trust Fund financial statements and the "Check Register" generated from *Odyssey*. More specifically, the following was noted:

- Not all checks recorded on the Regular Trust Fund financial statements were posted in *Odyssey*; and
- Checks are not voided or properly voided in *Odyssey*.

According to staff, multiple attempts have been made to resolve the issue with the Information Technology Department (IT) or Tyler Technology.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

All checks issued should be posted in the “Check Register” report from *Odyssey*. In addition, all voided checks should be properly voided in *Odyssey* and included in the “Check Register.” The “Check Register” report should agree to the checks in the financial statements.

Failure to ensure that the *Odyssey* “Check Register” report includes all issued and voided checks may result in improper reporting and loss of County funds.

Recommendation:

We recommend that the Sheriff’s Office continue communicating with the IT Department and Tyler Technologies to ensure all checks issued are listed in the “Check Register” report generated through *Odyssey*. In addition, management should verify that all voided checks are appropriately recorded as “void” in the *Odyssey* system. Lastly, we recommend that the Sheriff’s Office implement formal policies and procedures for check disbursements.

Please provide a management response to the observations noted above by February 12, 2025. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at 318-2511, ext. 4644, Karen Ramirez, Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez,
County Auditor

cc: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Myra Montoya, Budget Manager II, Hidalgo County Sheriff’s Office
Daniel Salinas, Director of Information Technology



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

AUDITEE: Sheriff's Office **AUDIT NO.:** _____
AUDIT: Regular Trust Financial
Statements for September 2023
through December 2024 **MANAGEMENT
RESPONSE DUE:** February 12, 2025
FINDING No.: 1 **RECOMMENDATION:** 1

We recommend that the Sheriff's Office continue communicating with the IT Department and Tyler Technologies to ensure all checks issued are listed in the "Check Register" report generated through Odyssey. In addition, management should verify that all voided checks are appropriately recorded as "void" in the Odyssey system. Lastly, we recommend that the Sheriff's Office implement formal policies and procedures for check disbursements.

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

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www.hidalgocounty.us/294/Auditors-Office

February 3, 2025

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

Re: December 2024 DTA Payment Request Report No. 2024-60

Dear Mr. Villarreal:

We completed a limited-scope review of the December 2024 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 whether the payment request was accurate and properly authorized.

The review results revealed that the payment request was generally accurate and properly authorized. We will proceed to process LGBS's December 2024 DTA payment request for \$132,087.26.

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 December 31, 2024. 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 December 2024."
- 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.

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 December 2024."

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Although DTA fees for 144 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 (142 tax accounts) and small amounts (2 tax accounts) (see Exhibit A).
- The total DTA fees collected on the "Hidalgo County Tax Office Collection Reports" for December 2024 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

If you have any questions, don't hesitate to contact Francisco Saenz, Internal Auditor IV, at (956) 318-2511, ext. 4667; Karen Ramirez, Compliance Audit Supervisor, at ext. 4606; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654; or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosure: Exhibit A

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

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2023	M520000062000400	0.47	0.11	0.58	0.08
2	1	2023	L284700000008100	0.03	0.00	0.03	0.01
3	1	2022	S436000000001700	89.89	22.55	112.44	15.91
4	1	2022	T525002020000100	82.37	23.54	105.91	15.32
5	1	2021	L335400002000600	53.68	16.46	70.14	9.58
6	1	2021	S544001000001200	36.28	13.24	49.52	7.02
7	1	2021	G855500000002100	39.40	11.85	51.25	6.97
8	1	2021	C070000099000702	30.43	11.81	42.24	6.07
9	1	2021	S240000000001107	17.94	6.65	24.59	3.50
10	1	2021	S544001000001200	-36.28	-13.24	-49.52	-7.02
11	1	2020	D600003000002000	964.12	405.74	1,369.86	188.00
12	1	2020	P420002003000900	18.00	6.52	24.52	3.24
13	1	2020	P420002003000900	-18.00	-6.52	-24.52	-3.24
14	1	2019	C902000000000500	30.98	12.78	43.76	5.58
15	1	2018	W190000000000300	40.08	22.75	62.83	8.30
16	1	2018	C902000000000500	0.21	0.11	0.32	0.04
17	1	2017	S095000002000400	88.61	47.47	136.08	16.48
18	1	2017	S095000002000400	56.36	29.97	86.33	10.49
19	1	2017	T525002018003900	17.03	10.23	27.26	3.45
20	1	2017	S073000000001500	9.81	6.41	16.22	2.12
21	1	2017	T525002018003900	-17.03	-10.23	-27.26	-3.45
22	1	2016	C070000100000337	116.70	65.26	181.96	20.66
23	1	2016	E650000006001000	69.97	39.89	109.86	12.60
24	1	2016	S073000000001500	29.51	22.80	52.31	6.91
25	1	2016	S095000002000400	30.97	20.18	51.15	6.32
26	1	2015	C070000100000337	205.38	139.49	344.87	40.05
27	1	2015	F105002000007600	179.04	121.74	300.78	34.65
28	1	2015	B190027000002400	162.45	111.01	273.46	31.68
29	1	2015	R095500000000100	15.23	15.37	30.60	4.29
30	1	2015	R095500000000100	15.23	15.37	30.60	4.29
31	1	2015	S265001000004100	20.14	14.22	34.36	4.11
32	1	2015	P275001000011100	10.49	6.75	17.24	1.86
33	1	2015	R095500000000100	-15.23	-15.37	-30.60	-4.29
34	1	2014	C070000100000337	218.34	174.49	392.83	46.51
35	1	2014	R095500000000100	60.88	68.74	129.62	18.26
36	1	2014	R095500000000100	60.88	68.74	129.62	18.26
37	1	2014	R284805000001000	75.34	67.92	143.26	18.19
38	1	2014	S160000000004815	40.64	32.65	73.29	8.66
39	1	2014	L020000000000900	10.39	11.49	21.88	3.05
40	1	2014	B403502000023600	7.81	8.60	16.41	2.29
41	1	2014	P275001000011100	11.37	8.68	20.05	2.22
42	1	2014	J570098005000205	6.20	5.94	12.14	1.59
43	1	2014	R095500000000100	-60.88	-68.74	-129.62	-18.26
44	1	2013	N861302000005600	62.37	52.17	114.54	11.97
45	1	2013	O660000000000200	14.86	12.88	27.74	3.05
46	1	2013	C112200000000400	12.01	9.65	21.66	2.13
47	1	2013	J570098005000205	7.69	8.30	15.99	2.11

48	1	2012	C070000100000337	195.88	203.55	399.43	48.77
49	1	2012	E850003006000300	191.28	172.79	364.07	35.58
50	1	2012	W380000462000008	24.16	22.95	47.11	5.00
51	1	2012	C112200000000400	6.99	6.46	13.45	1.36
52	1	2012	W380000462000008	-24.16	-22.95	-47.11	-5.00
53	1	2011	E850003006000300	191.28	195.74	387.02	39.02
54	1	2011	B280000003000800	168.26	163.77	332.03	30.54
55	1	2011	J570000001000403	42.18	42.04	84.22	8.10
56	1	2011	T210000239000600	22.79	30.36	53.15	7.15
57	1	2011	J570000001000403	27.44	27.35	54.79	5.27
58	1	2011	L31000000B001500	9.16	14.07	23.23	3.36
59	1	2010	E850003006000300	191.28	218.69	409.97	42.46
60	1	2010	B280000003000800	168.26	183.97	352.23	33.57
61	1	2010	P811503000008100	116.74	149.04	265.78	32.92
62	1	2010	C005000000004905	82.53	93.00	175.53	17.71
63	1	2010	P927901000007000	13.30	15.56	28.86	3.11
64	1	2009	R400000000006800	480.81	549.72	1,030.53	89.43
65	1	2009	A174500000001900	186.16	242.01	428.17	47.75
66	1	2009	E850003006000300	191.28	241.65	432.93	45.91
67	1	2009	P811503000008100	63.32	88.45	151.77	19.00
68	1	2009	P640000023000500	38.69	68.30	106.99	15.49
69	1	2009	B157000000005500	42.50	49.29	91.79	8.22
70	1	2009	L212102000011300	44.14	50.32	94.46	8.14
71	1	2009	B280000003000800	29.72	36.05	65.77	6.46
72	1	2009	G130000001000200	10.46	11.95	22.41	1.94
73	1	2009	G560000012002000	4.54	5.25	9.79	0.87
74	1	2009	S725098008002000	0.63	0.80	1.43	0.15
75	1	2008	R400000000006800	480.81	607.42	1,088.23	98.09
76	1	2008	E850003006000300	191.28	264.60	455.88	49.35
77	1	2008	P811503000008100	106.13	160.97	267.10	33.75
78	1	2008	L212102000011300	70.79	89.20	159.99	14.34
79	1	2008	P580000000000100	18.49	22.37	40.86	3.33
80	1	2007	R400000000006800	362.30	501.18	863.48	80.43
81	1	2007	E850003006000300	173.89	261.42	435.31	47.99
82	1	2007	A174500000001900	147.19	226.68	373.87	43.05
83	1	2007	L212102000011300	176.65	243.78	420.43	38.95
84	1	2007	S477000000006600	44.84	66.82	111.66	12.11
85	1	2007	D320000060000202	36.00	55.08	91.08	10.37
86	1	2007	D320000060000202	36.00	55.08	91.08	10.37
87	1	2007	O310009000001300	8.36	12.32	20.68	2.20
88	1	2007	M475000002001600	6.96	9.49	16.45	1.49
89	1	2007	D320000060000202	-36.00	-55.08	-91.08	-10.37
90	1	2006	E850003006000300	164.66	267.29	431.95	48.41
91	1	2006	W230000052000300	8.45	13.77	22.22	2.51
92	1	2006	M355000064000800	5.12	7.92	13.04	1.33
93	1	2006	S477000000006600	0.60	0.96	1.56	0.17
94	1	2005	E850003006000300	156.46	272.76	429.22	48.82
95	1	2005	A174500000001900	143.99	256.31	400.30	47.30
96	1	2005	E810000007003005	107.43	171.17	278.60	26.27
97	1	2005	E540000029000500	8.52	12.35	20.87	1.53
98	1	2004	E850003006000300	145.81	271.69	417.50	48.12

99	1	2004	E810000007003005	103.00	176.47	279.47	27.04
100	1	2004	W010000030000309	82.56	148.30	230.86	24.76
101	1	2004	G570000001002800	14.56	27.95	42.51	5.17
102	1	2004	B496504000032900	7.52	14.38	21.90	2.66
103	1	2004	B505000015000600	13.97	21.52	35.49	2.58
104	1	2004	W010000044001052	6.61	10.16	16.77	1.22
105	1	2003	E850003006000300	139.22	276.12	415.34	48.45
106	1	2003	E810000007003005	99.29	182.03	281.32	27.85
107	1	2003	S165000000002100	25.44	53.75	79.19	10.34
108	1	2003	C690000001000700	6.07	10.57	16.64	1.45
109	1	2002	T525000003000400	169.26	291.13	460.39	32.75
110	1	2002	E810000007003005	63.70	124.43	188.13	19.01
111	1	2002	L185002000001100	12.65	24.03	36.68	3.47
112	1	2002	L025000114000012	6.62	16.63	23.25	3.32
113	1	2002	S240000000009511	14.42	25.78	40.20	3.26
114	1	2002	S240000000009511	14.39	25.81	40.20	3.26
115	1	2001	E850003006000300	115.78	257.42	373.20	44.46
116	1	2001	T525000003000400	183.75	338.10	521.85	38.86
117	1	2001	E810000007003005	43.74	90.69	134.43	13.84
118	1	2000	T525000003000400	216.33	424.01	640.34	49.65
119	1	2000	E850003006000300	111.59	261.49	373.08	44.86
120	1	2000	L314000000003500	91.37	177.87	269.24	20.42
121	1	2000	L314000000003500	30.97	60.27	91.24	6.92
122	1	2000	L314000000003500	-30.97	-60.27	-91.24	-6.92
123	1	1999	E850003006000300	55.99	137.92	193.91	23.52
124	1	1999	T525000003000400	56.11	116.71	172.82	13.89
125	1	1999	G166001000001100	16.77	40.65	57.42	6.74
126	1	1998	B185000000000400	15.45	40.19	55.64	6.89
127	1	1998	B185000000000400	8.65	22.51	31.16	3.86
128	1	1998	L319500000005800	0.68	1.83	2.51	0.33
129	1	1996	S144000000005100	5.64	14.81	20.45	2.17
130	1	1996	S144000000005100	5.64	14.81	20.45	2.17
131	1	1996	A080098000111600	2.60	7.90	10.50	1.46
132	1	1995	A080000000114909	6.00	17.46	23.46	2.86
133	1	1993	L670000017000500	25.10	73.78	98.88	10.50
134	1	1993	A555002000000200	6.26	17.91	24.17	2.40
135	1	1992	L670000017000500	20.54	62.85	83.39	8.97
136	12	1999	T525000003000400	1.37	2.85	4.22	0.34
137	17	1993	L670000017000500	0.30	0.91	1.21	0.13
138	1	2023	B190026000001100	0.19	0.04	0.23	0.04
139	1	2020	T543501000000200	99.67	49.50	149.17	21.38
140	1	2020	T543501000000200	72.70	36.11	108.81	15.59
141	1	2020	T543501000000200	-99.67	-49.50	-149.17	-21.38
142	1	2017	W380000544000003	8.98	6.33	15.31	2.06
143	1	2010	1005900000000755	56.72	68.63	125.35	14.29
144	1	2010	1005900000000755	35.46	42.90	78.36	8.94



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: HIDTA Financial Statements for October 2023 through December 2024

Dear Mr. Palacios:

We conducted a limited scope review of the HIDTA financial statements for October 2023 through December 2024 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

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

If you have any questions, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at (956) 318-2511 ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Rosalinda Cantu, Assistant Chief of Staff II, District Attorney'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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



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February 10, 2025

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

Re: Hot Checks Financial Statements for October 2023 through December 2024

Dear Mr. Palacios:

We conducted a limited scope review of the Hot Checks financial statements for October 2023 through December 2024 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

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

If you have any questions, please contact Enrique Leal, Internal Auditor II, at 318-2511 ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Rosalinda Cantu, Assistant Chief of Staff II, District Attorney'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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



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February 10, 2025

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

Re: Cash Count Report No. 2024-88

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office East Substation (Fee Account) on October 16, 2024, 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.

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 the office's progress toward resolving the observations identified in the cash count conducted on June 8, 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.

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 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 lock cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

At the time of the cash count, receipts had not been issued, and collections had not been made. Based on the results of the review, we concluded that total cash on hand reconciled to the approved change fund of \$50.00. In addition, we determined 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. Lastly, we concluded that the observation identified in the cash count conducted on June 8, 2023, was resolved.

Management is responsible for establishing and maintaining a sound internal control system. 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 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Francisco Saenz, Internal Auditor IV, at 318-2511 ext. 4667, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at 4651.

Respectfully,



Letty Chavez
County Auditor

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Oscar Montoya, Division Chief, Hidalgo County Sheriff's Office
Ms. Myra Montoya, Budget Manager II, Hidalgo County Sheriff's Office



HIDALGO COUNTY AUDITOR'S OFFICE

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February 10, 2025

Honorable Daniel Marichalar, Constable
Hidalgo County Precinct No. 5
708 E. Edinburg Ave., Ste A
Elsa, Texas 78543

Re: Cash Count Audit No. 2024-87

Dear Constable Marichalar:

We conducted a surprise cash count of the cash held at your office on October 16, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether the total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Executive Summary:

There were no collections at the time of the cash count; however, the system of internal controls for collecting and safeguarding cash requires improvement. More specifically, we noted that the Administrative Assistant II performed incompatible duties.

Scope:

The scope of the review was limited to counting the cash on hand as 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 include all areas where improvement could be made.

As part of the procedures, we verified that the cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the audit included but were not limited to 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 counts. However, the system of internal controls for the collection and safeguarding of cash requires improvement, as noted in the following observation.

Management is responsible for establishing and maintaining a sound internal control system. 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 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Observation No. 1:

We noted that the segregation of duties over handling collections requires improvement. The Administrative Assistant II 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: Prepares reports of cash received and prepares the monthly report

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 allows an individual 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 mail receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing deposits, and having access to the inventory of unused receipts should be different from the individual responsible for preparing reports of cash received.

Maintaining segregation of duties is especially challenging for units with few employees. In these cases, it is important that management implement compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management must document, review, and approve 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 have adequate segregation of duties increases the risk of losing or misusing 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 (e.g., rotating duties).

Please provide a management response to the observations noted above by February 25, 2025. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

Enclosures: Management Response Form

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



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

Erika Reyna, Director
Department of Human Resources
505 S. McColl Rd., Suite A
Edinburg, Texas 78539

Re: Cash Count Report No. 2024-63

Dear Ms. Reyna:

We conducted a surprise cash count of the cash held at the Department of Human Resources Employee Benefits Division on April 25, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether the 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 counting the cash on hand as 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 include all areas where improvements could be made.


As part of the procedures, we verified that collections on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the cash count included but were not limited to custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

The total cash on hand at the time of the cash count was \$130.78. Our review determined that the total cash on hand reconciled to the total receipts issued up to the time of the cash count. In addition, we determined 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 or would like to schedule a meeting to discuss this cash count, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,


Letty Chavez
County Auditor

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

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PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

The Honorable Ellie Torres, Commissioner
Hidalgo County Precinct No. 4
1051 N. Doolittle Rd.
Edinburg, Texas 78542

Re: Cash Count Report No. 2024-69

Dear Commissioner Torres:

We conducted a surprise cash count of the cash held at the Edinburg Sanitation Office on June 6, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Scope:

The scope of the review was limited to counting the cash on hand as 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 include all areas where improvement could be made.

As part of the procedures, we verified that the cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the audit included but were not limited to 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 was \$475.00. Based on the results of the review, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$200.00. In addition, we noted 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 Francisco Saenz, Internal Auditor IV, at 318-2511 ext. 4667, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Respectfully,


Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Dr. Jennifer Mendoza Culbertson, Chief Administrator-Internal Affairs, Hidalgo County Precinct No. 4

HIDALGO COUNTY DISTRICT JUDGES



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
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www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: Cash Count Report No. 2024-67

Dear Constable Cantu:

We conducted a surprise cash count of the cash held at your office on May 29, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether the 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 counting the cash on hand as 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 include all areas where improvement could be made.

As part of the procedures, we verified that the cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the audit included but were not limited to 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 determined 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 or would like to schedule a meeting to discuss this cash count, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Fernando Gaitan, Chief Deputy, Constable Precinct No. 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

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PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: Cash Count Audit No. 2024-65

Dear Ms. Chapa:

We conducted a surprise cash count of the cash held at your office on May 7, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

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 improvements could be made.

As part of the procedures, we verified that collections on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the cash count included but were not limited to 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 \$404.25. Based on the results of the review, we determined that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$300.00. In addition, we determined 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 or would like to schedule a meeting to discuss this cash count, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

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EDINBURG, TEXAS 78539-6243

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www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: Cash Count Audit No. 2024-80

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Fee account on August 7, 2024, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether the total cash on hand reconciled to the total receipts issued up to the time of the cash count.

Scope:

The scope of our review was limited to counting the cash on hand as 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 include all areas where improvements could be made.

As part of our procedures, we verified that the cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 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 \$100.00. Based on the results of the review, we determined that total cash on hand reconciled to the approved change fund of \$100.00. There were no collections at the time of the cash count. In addition, we determined 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 or would like to schedule a meeting to discuss this cash count, please contact Enrique Leal, Internal Auditor II, at 318-2511 ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager II, Hidalgo County Sheriff's Office

HIDALGO COUNTY DISTRICT JUDGES



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: Cash Count Audit No. 2024-79

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Investigative Fund account on August 13, 2024, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether the total cash on hand reconciled to the approved petty cash fund less total outstanding expenditure vouchers as of the time of the cash count.

Scope:

The scope of the review was limited to counting the cash on hand and the total outstanding vouchers as 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 include all areas where improvements could be made.

As part of the procedures, we verified that the cash on hand agreed to the total vouchers issued up to the time of the cash count. We also reviewed the internal control structure 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 the audit included but were not limited to 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 \$9,900.00. Based on the review, we concluded that the total cash on hand reconciled to the approved petty cash fund of \$10,000.00, less the total outstanding vouchers. In addition, we noted 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 or would like to schedule a meeting to discuss this cash count, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Respectfully,



Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager II, Hidalgo County Sheriff's Office

HIDALGO COUNTY DISTRICT JUDGES



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

Mr. Anthony Uresti, Director
Hidalgo County Planning Department
2818 S. Business Hwy 281
Edinburg, Texas 78539

Re: Cash Count Report No. 2024-73

Dear Mr. Uresti:

We conducted a surprise cash count of the cash held at the Planning Department's Edinburg Office on June 28, 2024 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 up to the time of the cash count and the approved change fund of \$300.00.

Scope:

The scope of the review was limited to counting the cash on hand as 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 include all areas where improvements could be made.

As part of the procedures, we verified that collections on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the cash count included but were not limited to 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 \$915.00. Based on the cash count, we concluded that the total cash on hand was reconciled to the total receipts issued up to the time of the cash count and the approved change fund. In addition, we determined 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 or would like to schedule a meeting to discuss this cash count, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Mr. Anthony Uresti
February 10, 2025
Page 2 of 2

Respectfully,



Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Jorge J. Garcia, Division Manager, Hidalgo County Planning Department

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

OVERSEER



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: Cash Count Report No. 2024-82

Dear Constable Gaitan:

We conducted a surprise cash count of the cash held at your office on August 20, 2024, 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:

There were no collections at the time of the cash count; however, we noted that the system of internal controls for safeguarding receipts requires improvement.

Scope:

The scope of our review was limited to counting the cash on hand as 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 include all areas where improvements could be made.

As part of our 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 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 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. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

Management is responsible for establishing and maintaining a sound internal control system. 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:

Manual receipt numbers 10138 through 10287 were not accounted for. According to the Constable Precinct 4 Office staff, they could not locate the receipts.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Pursuant to the Hidalgo County Cash Handling Guidelines and Procedures, departments should designate an employee responsible for maintaining custody of unissued official forms in a secure place. Access to the secure place must be limited to as few employees as possible. A log must be used to record the sequence of official forms issued, the date issued, to whom issued, and the date the receipts were returned. This log, along with unissued official forms, should be reviewed periodically to account for all official forms.

Failure to ensure manual receipts are properly maintained may result in the loss or misuse of County funds.

Recommendation:

Management should make all attempts to locate the lost manual receipts and ensure that, at minimum, the procedures noted above are implemented.

Please provide a written management response to the abovementioned observations on the attached Management Response Forms by February 25, 2025. 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 it further, please contact Alejandro Torres, Internal Auditor III, at 318-2511, ext. 4644; Karen Ramirez, Compliance Audit Supervisor, at ext. 4656; Yvonne Torres, Director of Audit Division, at ext. 4642; Reynaldo Cantu III, First Assistant Auditor, at ext. 4654; or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Horaldo Sanchez, Chief Deputy Constable, Constable Precinct No. 4



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

AUDITEE: The Honorable Atanacio Gaitan Jr., Constable **AUDIT NO.:** 2024-82

AUDIT: Cash Count Report **MANAGEMENT RESPONSE DUE:** February 25, 2025

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

Management should make all attempts to locate the lost manual receipts and ensure that, at minimum, the procedures noted above 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

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: Cash Count Audit No. 2024-81

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Regular Trust account on August 7, 2024, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether the 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. 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 include 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 to verify that cash on hand was safeguarded against loss for unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during the audit included but were not limited to custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

At the time of cash count, receipts had not been issued, and collections had not been made. In addition, we noted that adequate internal controls were in place to properly safeguard cash and ensure that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Enrique Leal, Internal Auditor II, at 318-2511 ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,


Letty Chavez
County Auditor

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Myra Montoya, Budget Manager II, Hidalgo County Sheriff's Office

HIDALGO COUNTY DISTRICT JUDGES



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
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www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

The Honorable Toribio Palacios, Criminal District Attorney
Hidalgo County District Attorney's Office
100 N. Clossner
Edinburg, TX 78539

Re: Hot Checks Cash Count Report No. 2024-74

Dear Mr. Palacios:

We conducted a surprise cash count of the cash held at your office on July 10, 2024, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether the total cash on hand reconciled to the total receipts issued 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. 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 collections 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 the cash count included but were not limited to 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 determined 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 or would like to schedule a meeting to discuss this cash count, please contact Enrique Leal, Internal Auditor II, at 318-2511 ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Rosalinda Cantu, Assistant Chief of Staff, Hidalgo County District Attorney'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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



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www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

The Honorable Toribio Palacios, Criminal District Attorney
Hidalgo County District Attorney's Office
100 N. Closner
Edinburg, TX 78539

Re: Asset Forfeiture Cash Count Report No. 2024-75

Dear Mr. Palacios:

We conducted a surprise cash count of the cash held at the District Attorney's Office – Asset Forfeiture Division on July 10, 2024, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether the 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 counting the cash on hand as 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 include all areas where improvements could be made.

As part of the procedures, we verified that collections on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the cash count included but were not limited to custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

At the time of the cash count, receipts had not been issued, and collections had not been made. In addition, we determined 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 or would like to schedule a meeting to discuss this cash count, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

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PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

Mr. Anthony Uresti, Director
Hidalgo County Planning Department
2818 S. Business Hwy 281
Edinburg, Texas 78539

Re: Cash Count Report No. 2024-77

Dear Mr. Uresti:

We conducted a surprise cash count of the cash held at the Planning Department's Weslaco Office on November 7, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of the review was limited to counting the cash on hand as 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 include all areas where improvement could be made.


As part of our procedures, we verified cash on hand agreed to the total receipts issued up to the time of the cash counts. We also reviewed the internal control structure 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 custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

At the time of the cash count, receipts had not been issued and collections had not been made. Based on the results of the review, we concluded that total cash on hand reconciled to the approved change fund of \$150.00. 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, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4656, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

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www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

Ms. Dairen Sarmiento Rangel, Director
Hidalgo County Department of Health and Human Services
Environmental Health Division
2804 S. Business Hwy 281
Edinburg, Texas 78539

Re: Cash Count Audit No. 2024-85

Dear Ms. Rangel:

We conducted a surprise cash count of the cash held at the Environmental Health Division-Restaurant Health Permit Section on September 19, 2024, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether 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.

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 include areas where improvement could be made.

As part of the procedures, we verified that the cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the audit included but were not limited to 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 \$125.00. Based on the review, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$25.00. In addition, we noted 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 or would like to schedule a meeting to discuss this cash count, please contact Enrique Leal, Internal Auditor II, at 318-2511 ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Respectfully,


Letty Chavez
County Auditor

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Martin Ramirez, Program Manager, Environmental Health



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

Ms. Dairen Sarmiento Rangel, Director
Hidalgo County Department of Health and Human Services
Environmental Health Division
2804 S. Business Hwy 281
Edinburg, Texas 78539

Re: Cash Count Audit No. 2024-86

Dear Ms. Rangel:

We conducted a surprise cash count of the cash held at the Environmental Health Division On-Site Sewage Facilities Edinburg location on September 19, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether the total cash on hand was 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 counting the cash on hand as 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 include all areas where improvement could be made.

As part of the procedures, we verified that the cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the audit included but were not limited to 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 \$170.00. Based on the results of the review, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$25.00. In addition, we noted 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 or would like to schedule a meeting to discuss this cash count, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4656, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Respectfully,



Letty Chavez
County Auditor

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Mr. Martin Ramirez, Program Manager, Environmental Health



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: Cash Count Report No. 2024-78

Dear Commissioner Fuentes:

We conducted a surprise cash count of the cash held at the Weslaco Sanitation Office on November 7, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether the total cash on hand was 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 up to the time of the cash count and approved change fund. In addition, we noted that the system of internal controls for collecting and safeguarding cash requires improvement.

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 the office's progress toward resolving the observations identified in the cash count conducted on May 16, 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.

As part of the procedures, we verified that collections on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 the cash count included but were not limited to 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 \$1,100.00. Based on the results of the review, we concluded that the total cash on hand was reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$200.00. However, we noted that the system of internal controls for collecting and safeguarding cash requires improvement. Lastly, we concluded that the observation identified in the cash count conducted on May 16, 2023, was resolved.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Management is responsible for establishing and maintaining a sound internal control system. 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 over-the-phone credit/debit card payments were accepted.

Cashiers must request identification for all credit/debit card payments processed to ensure the card belongs to the payer. This verification must be done before processing payment.

Taking credit/debit card payments over the phone increases the risk of credit card disputes, which could result in the loss of County funds.

Recommendation:

Management should ensure staff refrain from processing over-the-phone credit/debit card transactions.

Please provide a written management response to the abovementioned observation on the attached Management Response Forms by February 25, 2025. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

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



HIDALGO COUNTY AUDITOR'S OFFICE

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February 10, 2025

Mr. Anthony Uresti, Director
Hidalgo County Planning Department
2818 S. Business Hwy 281
Edinburg, Texas 78539

Re: Cash Count Audit No. 2024-92

Dear Mr. Uresti:

We conducted a surprise cash count of the cash held at the Planning Department's Mission Office on November 14, 2024, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether 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.

Scope:

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

As part of our procedures, we verified that the cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 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. Based on the review, we concluded that total cash on hand reconciled the approved change fund of \$150.00. In addition, we noted 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, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez
County Auditor

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 CUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Mr. Anthony Uresti
February 10, 2025
Page 2 of 2

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J. R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

OVERSEER



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 10, 2025

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

Re: Cash Count Audit No. 2024-93

Dear Constable Gallardo:

We conducted a surprise cash count of the cash held at your office on November 14, 2024, 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:

There were no collections at the time of the cash count; however, the system of internal controls for collecting and safeguarding cash requires improvement. More specifically, we noted that the Administrative Assistant III performed incompatible duties.

Scope:

The scope of the review was limited to counting the cash on hand as 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 include all 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 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 the audit included but were not limited to 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 counts. However, the system of internal controls for collecting and safeguarding cash requires improvement, as noted in the following observation.

Management is responsible for establishing and maintaining a sound internal control system. 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 segregation of duties over handling collections requires improvement.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

The Administrative Assistant III performs the following incompatible duties:

- Custody: Receives money, issues receipts, opens and lists mail 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: Prepares reports of cash received

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 allows an individual 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 mail receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing deposits, and having access to the inventory of unused receipts should be different from the individual responsible for preparing reports of cash received.

Maintaining segregation of duties is especially challenging for units with few employees. In these cases, it is important that management institute compensating controls to cover for the lack of basic controls. In an environment with a limited number of clerical and administrative personnel, management must document, review, and approve 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 have adequate segregation of duties 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 (e.g., rotating duties).

Please provide a management response to the observations noted above by February 25, 2025. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions, please contact Alejandro Torres, Internal Auditor III, at 318-2511 ext. 4644, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosures: Management Response Forms

- cc: Honorable Richard Cortez, Hidalgo County Judge
Mr. Valde Guerra, County Executive Officer
Gerardo Zamora, Chief Deputy Constable II



HIDALGO COUNTY AUDITOR'S OFFICE

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www.hidalgocounty.us/294/Auditors-Office

February 11, 2025

The Honorable Everardo Villarreal, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle
Mission, TX 78574

Re: Cash Count Report No. 2024-91

Dear Commissioner Villarreal:

We conducted a surprise cash count of the cash held at the Precinct 3 Sanitation Office on November 14, 2024, 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 results of the review, we determined that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$100.00; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement. More specifically, we noted that the Administrative Assistant IV 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 to evaluate the office's progress toward resolving the observations identified in the cash conducted on August 24, 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 include areas where improvement could be made.

As part of our procedures, we verified that collections on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure 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 \$200.00. Based on the results of the review, we determined that the total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$100.00; 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 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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY 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 1:

We noted that segregation of duties over the handling of collection requires improvement. The Administrative Assistant IV performs the following incompatible duties:

- Custody: Balances copies of receipts against the cash drawer, prepares deposits and has access to the inventory of unused receipts
- Recording: Accounts for the numerical sequence of cash receipts, maintains inventory log of unused cash receipts, prepares reports of cash received, and prepares the monthly report

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 allows an individual 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, preparing 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 inventory log of unused cash receipts, preparing reports of cash received, and preparing the monthly report.

Maintaining segregation of duties is especially challenging for units with few employees. In these cases, it is important that management institute compensating controls to cover for the lack of basic control. In an environment with a limited number of clerical and administrative personnel, management must document, review, and approve 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 revenues.

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 by February 26, 2025. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosures: Management Response Form

- cc: The Honorable Richard Cortez, Hidalgo County Judge
- Mr. Valde Guerra, County Executive Officer
- Ms. Norma Ceballos, Executive Assistant III, Hidalgo County Precinct No. 3



HIDALGO COUNTY AUDITOR'S OFFICE

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PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 11, 2025

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

Re: Cash Count Report No. 2024-64, 2024-68, 2024-83, & 2024-94

Dear Ms. Leo:

We conducted a surprise cash count of the cash held at the County Treasurer's Office on March 27, 2024, June 04, 2024, August 30, 2024, and November 20, 2024, pursuant to Local Government Code §115.003 and §115.0035. The objective of the cash count was to determine whether 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 the total cash on hand reconciled to the total receipts issued 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. More specifically, we noted that cashiers can modify receipts.

Scope:

The scope of the review was limited to counting the cash on hand as of the time of the cash count. We also conducted a follow-up to evaluate the progress toward resolving the observation identified in the cash count conducted on December 7, 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 include areas where improvement could be made.

Conclusion:

Cash on hand at the time of the cash counts totaled \$62,843.10 on March 27, 2024, \$50.00 on June 4, 2024, \$8,635.65 on August 30, 2024, and \$450,311.25 on November 20, 2024. Based on the results of the review, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$50.00. However, we noted that cashiers can modify receipts.

Management is responsible for establishing and maintaining a sound internal control system. 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 cashiers have access to modify receipts (i.e., receipt amount, payer name, payment description, and general ledger account number) that have been printed and issued to the payor, but have not been posted to LINQ. According to staff, as a compensating control, all cashiers must obtain approval from the Chief Deputy before

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

modifying receipts. LINQ installed an update to resolve the issue on October 8, 2020. According to the Chief Deputy, he is waiting for the approval of the County Treasurer to proceed with the implementation of the new process.

Access controls provide management with reasonable assurance that data files and application programs are protected against unauthorized modification, disclosure, loss, or impairment. Access controls require users to authenticate themselves (through unique user IDs and passwords) and limit the files and other resources they can access and the actions they can execute. For access controls to be effective, management must analyze the responsibilities of individual users and determine the type of access needed to fulfill their responsibilities effectively. Access granted must be restricted to those authorized functions alone. Access authorizations and related controls should be monitored, maintained, and adjusted on an ongoing basis to accommodate changes in a user's responsibilities (i.e., new hire, promotions, termination, and/or transfer of employees).

Failure to ensure that access to modify receipts is unavailable to staff may result in the loss or misuse of County funds.

Recommendation:

Management should implement the update installed by LINQ that removes the employee's ability to modify receipts.

Please provide a management response to the observation noted above by February 26, 2025. The Management Response Forms should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Enrique Leal, Internal Auditor II, at (956) 318-2511, ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

Enclosure: Management Response Form

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Audrey Ochoa, Chief Deputy, Hidalgo County Treasurer's Office



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
www.hidalgocounty.us/294/Auditors-Office

February 11, 2025

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

Re: Cash Count Audit No. 2024-89

Dear Mr. Garza:

We conducted a surprise cash count of the cash held at your office on October 1, 2024, 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:

We concluded that cash on hand reconciled to the total receipts issued up to the time of the cash count and approved change fund. However, we noted that the system of internal controls for collecting and safeguarding cash requires improvement.

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 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 the audit included but were not limited to 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 \$325.00. Based on the results of the review, we concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$150.00. However, we noted that the system of internal controls for collecting and safeguarding cash requires improvement as noted in the observation below.

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

Observation 1:

We noted that the \$200.00 collections of September 30, 2024, were not deposited and remitted to the Treasurer's Office until October 4, 2024.

The Auditors Office requires Cash receipts to be deposited intact daily unless the amount collected is less than \$100.00. Collections under \$100.00 must be deposited by the end of the work week.

Recommendation:

Management should ensure that staff deposits cash receipts daily unless the collections are under \$100.00.

Please provide a management response to the observation noted above by February 26, 2025. The Management Response Form should be emailed to managementresponse@auditor.co.hidalgo.tx.us.

If you have any questions please contact Enrique Leal, Internal Auditor II, at (956) 318-2511, ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

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



HIDALGO COUNTY AUDITOR'S OFFICE

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February 11, 2025

Ms. Dairen Sarmiento Rangel, Director
Hidalgo County Department of Health and Human Services
2804 S. Business Hwy 281
Edinburg, Texas 78539

Re: Forensic Center MFR for July 2023 through December 2024

Dear Ms. Rangel:

We conducted a limited-scope review of the Monthly Fees Report (MFR) and supporting documentation submitted by the District Attorney's Office for July 2023 through December 2024 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if the fees collected were properly accounted for and reported.

The purpose of this report is to furnish management with independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Executive Summary:

Based on the review, we concluded that collections were generally properly accounted for and reported; however, the system of internal controls for receipting and collecting 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 the District Attorney's Office on the *Monthly Fees Report* for July 2023 through December 2024. 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."

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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.

- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Daily Remittances/Close-out Forms* to determine whether fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Verified that receipts, *Daily Remittance/Close-out Forms*, and the *Monthly Fees Report* were properly completed.

Conclusion:

Based on the review, we concluded that collections were generally properly accounted and reported; however, the system of internal controls for receipting and collecting of fees requires improvement as noted in the observation below. Total collections for the months of July 2023 through December 2024 were as follows:

Month Ended	Collections
July 31, 2023	\$ 32.00
August 31, 2023	\$ 59.10
September 30, 2023	NO ACTIVITY
October 31, 2023	NO ACTIVITY
November 30, 2023	NO ACTIVITY
December 31, 2023	NO ACTIVITY
January 31, 2024	\$ 57.00
February 29, 2024	NO ACTIVITY
March 31, 2024	NO ACTIVITY
April 30, 2024	NO ACTIVITY
May 31, 2024	\$ 58.00
June 30, 2024	\$ 108.20
July 31, 2024	\$ 1.00
August 31, 2024	NO ACTIVITY
September 30, 2024	NO ACTIVITY
October 31, 2024	NO ACTIVITY
November 30, 2024	NO ACTIVITY
December 31, 2024	NO ACTIVITY

Observation 1:

We noted that \$25.00 instead of \$50.00 was collected for an Autopsy Report (including x-rays and photographs) in July 2023. According to staff, only a portion of the fee was collected as the payer only requested photographs.

Pursuant to the Texas Health & Safety Code §671.013 (a), Commissioners Court of a county having custody of an autopsy report shall establish a fee to be charged for a copy of the autopsy report. On November 10, 2020, Commissioners Court approved the Forensic Center Fee Schedule. The schedule details the amounts that must be collected.

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

Recommendation:

Management should ensure that fees are properly collected as approved by Commissioners Court.

We are not requesting a management response to the finding above since the review was for monthly reports prepared and submitted by the District Attorney's Office.

If you have any questions, please contact Enrique Leal, Internal Auditor II, at (956) 318-2511, ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

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



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

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www.hidalgocounty.us/294/Auditors-Office

February 12, 2025

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

Re: H.B. 65 Financial Statements for October 2023 through December 2024

Dear Mr. Palacios:

We conducted a limited scope review of the H.B. 65 financial statements for October 2023 through December 2024 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b) and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

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

If you have any questions, please contact Linda Vasquez, Internal Auditor III, at 318-2511 ext. 4694, Karen Ramirez, Compliance Audit Supervisor, at (956) 318-2511 ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,

Letty Chavez,
County Auditor

cc: Honorable Richard Cortez, County Judge
Mr. Valde Guerra, County Executive Officer
Ms. Rosalinda Cantu, Assistant Chief of Staff II, District Attorney'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. JUAN R. ALVAREZ JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ORLANDO ESQUIVEL JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C. NEREIDA LOPEZ-SINGLETERRY JUDGE, 476TH D.C.



HIDALGO COUNTY AUDITOR'S OFFICE

2808 SOUTH BUSINESS HIGHWAY 281
EDINBURG, TEXAS 78539-6243

PHONE: (956) 318-2511 FAX: (956) 318-2577
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February 12, 2025

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

Re: Hot Checks Processing Fees Report for October 2023 through December 2024

Dear Mr. Palacios:

We conducted a limited scope review of the Hot Checks Processing Fees Report (*Processing Fees Report*) and supporting documentation for October 2023 through December 2024 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if collections were properly accounted for and reported. The purpose of this report is to furnish management with independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Executive Summary:

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

Scope:

The scope of the review was limited to collections reported by your office on the *Processing Fees Report* for October 2023 through December 2024. 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 include all areas where improvement could be made.

Methodology:

In conducting the review, the following procedures were performed:

- Verified that the *Processing Fees Report* and supporting documentation were submitted to the County Auditor's Office within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Processing Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Processing Fees Report* by footing and cross-footing the report.
- Verified that the sequence of receipts and checks issued per the *Processing Fees Report* agreed to *Odyssey's DA Receipt Journal Report* and *Check Transaction Register Report*. In addition, verified that receipts and checks were issued in sequential order.
- Verified collections and disbursements per the *Processing Fees Report* agreed to *Odyssey's Hot Checks Receipt Journal Report*.

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

Conclusion:

Based on the review, we concluded that collections are properly accounted for and reported. Total collections for October 2023 through December 2024 were as follows:

Month Ended	Collections
October 31, 2023	\$ 88,257.55
November 30, 2023	\$ 41,153.51
December 31, 2023	\$ 45,857.87
January 31, 2024	\$ 59,110.66
February 29, 2024	\$ 60,088.99
March 31, 2024	\$ 86,089.22
April 30, 2024	\$ 60,157.12
May 31, 2024	\$ 71,486.95
June 30, 2024	\$ 75,171.59
July 31, 2024	\$ 57,923.32
August 31, 2024	\$ 100,345.90
September 30, 2024	\$ 63,469.47
October 31, 2024	\$ 40,655.04
November 30, 2024	\$ 39,577.90
December 31, 2024	\$ 34,537.81

If you have any questions, please contact Enrique Leal Internal Auditor II, at 318-2511 ext. 4641, Karen Ramirez, Compliance Audit Supervisor, at ext. 4606, Yvonne Torres, Director of Audit Division, at ext. 4642, Reynaldo Cantu III, First Assistant Auditor, at ext. 4654, or me at ext. 4651.

Respectfully,



Letty Chavez
County Auditor

cc: Honorable Richard Cortez, County Judge
Valde Guerra, County Executive Office
Rosalinda Cantu, Assistant Chief of Staff II, District Attorney's Office