



MARTINEZ, ROSARIO & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MAVERICK COUNTY, TEXAS

MANAGEMENT LETTER

September 30, 2012



March 17, 2014

Honorable County Judge and
Members of Commissioners Court
Maverick County, Texas

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Maverick County, Texas (the "County") as of and for the year ended September 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. (We previously reported on the County's internal control in our report dated March 17, 2014. A separate report dated March 17, 2014, contains our report on significant deficiencies and material weaknesses in the County's internal control.) This letter does not affect our report dated March 17, 2014, on the financial statements of the County.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various County personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Honorable County Judge and Members of County Commissioners' Court, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Martinez, Rosario & Company, LLP
Martinez, Rosario & Company, LLP
Certified Public Accountants
San Antonio, Texas

CURRENT YEAR COMMENTS

Investment Policy

During our audit, we noted that the County does not perform an audit of management controls on investments and compliance with the County's investment policies as required by the Public Funds Investment Act.

Recommendation:

The County should perform or adopt a timetable to perform an audit of management controls on investments and compliance with the County's investment policies in order to be in compliance with the Public Funds Investment Act.

Single Audit – Reporting

During our audit of the Stone Garden grant, we noted that the County was a sub-grantee and was not responsible to submit financial reports. However, the County was required to submit quarterly progress report. We determined through verification with the pass through entity that the County had complied. However, the County had no in-house records to demonstrate compliance.

Recommendation:

We recommend that the County should provide additional training to its staff regarding federal grant reporting requirements and maintain in-house records to demonstrate compliance.

PRIOR YEAR COMMENTS

Investment Policy

During our audit, we noted that the County did not perform an audit of management controls on investments and compliance with the County's investment policies as required by the Public Funds Investment Act.

Status:

This finding was repeated in the current year.

Single Audit – Cash Management

During our audit, we noted that 7 out of 8 Stone Garden Cash drawdowns tested did not have evidence of supervisory approval.

Status:

This finding was cleared in the current year.

Single Audit – Procurement

During our audit, we noted that a Border Star procurement did not record the proposal delivery date and time. Also, the procurement and contractual documentation had no definition for a continuation option.

Status:

This finding was cleared in the current year.

Single Audit – Reporting

During our audit, we noted that 1 out of 2 Border Star financial reports selected for testing was not filed timely.

Status:

This finding was cleared in the current year.

Single Audit – Reporting

During our audit of the Stone Garden grant, we noted that the County was a sub-grantee and was not responsible to submit financial reports. However, the County was required to submit quarterly progress report. We determined through verification with the pass through entity that the County had complied. However, the County had no in-house records to demonstrate compliance.

Status:

This finding was repeated in the current year.

Single Audit – Allowable/Unallowable Activity & Cost

During our audit, we noted that 3 out of 10 Linebacker expenditures selected for testing totaling \$9,425 did not have evidence for supervisory approval. We also noted that 1 out of 7 Stone Garden expenditures selected for totaling \$3,490 did not have invoice and 1 out of 4 Local Border Security expenditures selected for totaling \$9,836 did not have evidence for supervisory approval.

Status:

This finding was cleared in the current year.