



**AGENDA PLACEMENT FORM**

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Date: \_\_\_\_\_

COMMISSIONERS COURT

Meeting Date: 7/24/2023

JUL 24 2023

Submitted By: \_\_\_\_\_

**Acknowledged**

Department/Office: CJO

Signature of Director/Official: \_\_\_\_\_

**Agenda Title:**

Acknowledgement of Receipt of the County Auditor's Quarterly Reports of  
Audits to the Commissioners Court for FY 2023 Q1, Q2, and Q3

**Public Description** (Description should be 2-4 sentences explaining to the Court and the public what action is recommended and why it is necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(May attach additional sheets if necessary)

**Person to Present:** \_\_\_\_\_

(Presenter must be present for the item unless the item is on the Consent Agenda)

**Supporting Documentation:** (check one) PUBLIC  CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

**Estimated Length of Presentation:** \_\_\_\_\_ minutes

**Session Requested:** consent (Action Item, Workshop, Consent, Executive)

**Check All Departments That Have Been Notified:**

County Attorney  IT  Purchasing  Auditor

Personnel  Public Works  Facilities Management

Other Department/Official (list) \_\_\_\_\_

**Please Inter-Office All Original Documents to County Judge's Office Prior to Deadline  
& List All External Persons Who Need a Copy of Signed Documents  
In Your Submission Email**



# Johnson County Auditor

Johnson County Courthouse  
#2 N. Main  
Cleburne, Texas 76033  
Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

January 6, 2023

Judge William Bosworth, 413th District  
Judge Tiffany Strother, 249th District  
Judge Sydney Hewlett, 18th District  
Chris Boedecker, County Judge  
Rick Bailey, Commissioner, Pct. 1  
Kenny Howell, Commissioner, Pct. 2  
Mike White, Commissioner, Pct. 3  
Larry Woolley, Commissioner, Pct. 4

Honorable Judges and Commissioners:

The following audits were completed during the quarter of Oct. - Dec. '22.

<b><u>OFFICE</u></b>	<b><u>AUDIT PERIOD</u></b>	<b><u>AUDIT COMPLETED</u></b>	<b><u>FINDINGS</u></b>
Adult Probation - CSCD	Jul. 22 - Sep. 22	07-Oct-22	N
Constable 1	Jul. 22 - Sep. 22	18-Oct-22	Yes
Constable 2	Jul. 22 - Sep. 22	18-Oct-22	N
Constable 3	Jul. 22 - Sep. 22	18-Oct-22	N
Constable 4	Jul. 22 - Sep. 22	18-Oct-22	N
County & District Attorney Hot Check Collections	Apr. 22 - Sep. 22	26-Oct-22	N
County & District Attorney's Trust & Deposits	Apr. 22 - Sep. 22	26-Oct-22	N
County Clerk Court Cash Bond	Apr. 22 - Sep. 22	23-Nov-22	N
County Clerk Court Fines & Fees (General Fund)	Apr. 22 - Sep. 22	30-Nov-22	N
County Clerk Recording	Jul. 22 - Sep. 22	12-Dec-22	N
County Clerk Registry of Court	Apr. 22 - Sep. 22	21-Nov-22	N
District Clerk Jury Account	Jul. 22 - Sep. 22	15-Nov-22	Yes
Elections	Jul. 22 - Sep. 22	14-Oct-22	N
Fuel Cards	Jul. 22 - Sep. 22	04-Oct-22	N
Hamm Creek	Jul. 22 - Sep. 22	14-Oct-22	N
Indigent Health Care	Apr. 22 - Sep. 22	08-Nov-22	N
JP-1	Jul. 22 - Sep. 22	04-Nov-22	N
JP-2	Jul. 22 - Sep. 22	04-Nov-22	N
JP-3	Jul. 22 - Sep. 22	04-Nov-22	N
JP-4	Jul. 22 - Sep. 22	04-Nov-22	N

Juvenile Probation	Jul. 22 - Sep. 22	24-Oct-22	N
Payroll - General	Jul. 22 - Sep. 22	30-Dec-22	N
Payroll - Accruals	Life to Date	17-Nov-22	Yes
Postage	Jul. 22 - Sep. 22	15-Nov-22	N
Public Works	Jul. 22 - Sep. 22	20-Dec-22	N
Sheriff's Office - Bail Bond Coupons	Jul. 22 - Sep. 22	05-Oct-22	N
Sheriff's Office - Fines, Bonds & Escrow Account	Apr. 22 - Sep. 22	13-Oct-22	N
Sheriff's Office - Jail Inmate Trust and Commissary Accts	Jul. 22 - Sep. 22	29-Nov-22	N
Sheriff's Office - LEOSE Account	Jul. 22 - Sep. 22	08-Nov-22	N
Tax Office - Ad Valorem Account	Jul. 22 - Sep. 22	22-Dec-22	N
Tax Office - Auto Registration	Jul. 22 - Sep. 22	28-Oct-22	N
Tax Office - Boat Registration	Jul. 22 - Sep. 22	13-Oct-22	Yes
Tax Office - MVIE	Jul. 22 - Sep. 22	31-Oct-22	N
Tax Office - Sales Tax	Jul. 22 - Sep. 22	17-Oct-22	Yes
Tax Office - Special Inventory	Jul. 22 - Sep. 22	31-Oct-22	N
Treasurer	Jul. 22 - Sep. 22	09-Dec-22	N

NOTE: Findings description is as follows:

N = No findings/exceptions found

YES = Finding/exception found-see attached Audit Letter to the Department Head

Please do not hesitate to let me know if you have any questions.

Sincerely,

Steven E. Watson  
Johnson County Auditor

klr



**JOHNSON COUNTY AUDITOR**  
JOHNSON COUNTY COURTHOUSE  
#2 N. MAIN  
CLEBURNE, TEXAS 76033  
Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

October 19, 2022

The Honorable Matt Wylie  
Constable Precinct #1  
Johnson County  
3390 FM 1434  
Cleburne, Texas 76033

Dear Constable Wiley,

RE: Auditor's Report-Constable Precinct #1 FY22 Q4

### **Summary**

In accordance with Chapter 115 of the Local Government Code, on October 19, 2022, we completed the regular quarterly audit procedures for the Constable Precinct #1 for the time period July-September 2022.

### **Background**

The Johnson County Precinct #1 collects and disburses fees for fines, Tax sales, child support, and Constable sales.

### **Scope**

To accomplish this audit we examined reports, bank statements, and supporting documents, and verified funds collected had been appropriately disbursed.

### **Objective**

To review all collateral documents and ensure they are current, meet statutory minimums, and are properly recorded.

## Findings

- 1.) Bank statements not reconciled for July and August 2022.

## Recommendation

- 1.) The Auditor's office recommendation is that all bank statements be reconciled before submitting to Auditor for review.

Thank you and your staff for your courtesy and cooperation shown during this audit.

Sincerely,



Sherron Beard  
Internal Auditor

Reviewed by: KRice  SWatson 



## JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

November 17<sup>th</sup>, 2022

The Honorable David Lloyd  
District Clerk  
Johnson County  
204 South Buffalo  
Cleburne, TX 76033

RE: Auditor's Report – FY22 Q4 District Clerk, Jury Fund

Dear Mr. Lloyd,

### **Summary**

In accordance with Local Government Code, Section 115, the Auditor's Office performed an audit of the District Clerk's Jury Services for the Fourth Quarter, July through September 2022, of the 2022 fiscal year.

### **Background**

The District Clerk's Office is the official custodian of record, and is responsible for the care and safekeeping of all court records for the District Courts of Johnson County. They also maintain and manage the records and monies for court fees, custodial accounts which are invested for the benefit of many minor children, bail bond forfeitures and all tax lawsuits. The office also produces a substantial number of court documents including, but not limited to, civil citations, criminal warrants, criminal judgments and sentences and protective orders.

In accordance with Texas Government Code, a person who reports for jury service is entitled to receive reimbursement for travel and expenses for amounts not less than \$6 for the first day of service and \$40 for any additional days. The State of Texas reimburses Johnson County \$34 a day for the amounts paid to a person who reports for jury service in response to a summons for each day or fraction of each day *after* the first day of attendance.

## Scope

To complete the regular audit procedures for the District Clerk's Juror forms for the months of July through September 2022 for fiscal year 2022. Forms are completed and signed by each juror confirming to whom the juror payment is to be made. If the juror chooses to donate their funds, they do so by selecting a recipient or recipients from a preapproved list.

## Objective

The objective of the audit was to determine whether controls were adequate to reasonably ensure that the payments made to jurors were authorized, accurate, and properly paid during the three (3) month period ended September 30, 2022.

## Findings

In reviewing the forms, we found:

1. Juror forms were missing
2. Juror requested the funds to be donated, but the check was addressed to the juror
3. Two extra forms for Jurors that were not listed on any report
4. One form for a grand juror, was only showing as \$8. The donation amount was incorrect because grand Jurors are paid \$10/day

## Recommendations

Verify that all forms are collected and correctly disbursed before processing checks and forwarding copies to the Treasurer's Office.

Thank you and your staff for your courtesy and cooperation shown during the audit.

Sincerely,



Kathy Rice  
Audit Manager

Reviewed: Steven W. 



## JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

November 17<sup>th</sup>, 2022

Mr. Randy Gillespie  
Personnel Director  
Johnson County Courthouse  
Cleburne, Texas 76033

RE: Auditor's Report – Payroll – Accruals LTD

Dear Mr. Gillespie,

### **Summary**

In accordance with Local Government Code, Sections 112 and 115, the Auditor's Office performed a review of the Accruals for Vacation and Sick time in the Kronos Payroll software (Kronos). To accomplish the audit, the Auditor's office judgmentally selected a sample of payroll accrual detail and history reports from Kronos.

### **Background**

The Personnel office organizes, maintains and secures each employee's records and documentation for the county. Services include, staffing and employment, training and development, compensation administration, employee services and benefits, along with processing the County's payroll on a bi-weekly basis, utilizing Kronos.

### **Scope**

For this engagement, we reviewed the accrual criteria stated in the Johnson County Employee Handbook. *"All full-time regular employees will be eligible for vacation/sick benefits after they have satisfactorily completed their 6-month orientation period. For orientation employees,*



*vacation/sick day accruals will be calculated retroactive to the employee's hire date and may be taken after the 13<sup>th</sup> pay period following date of hire.*" We then compared a manually calculated excel worksheet, based on the handbook criteria, to accrual balances reflected in Kronos. A sampling of active employees and employees terminated after one year were included in the comparison.

## **Objective**

The objective of this audit was to analyze the reports from Kronos for accuracy. Reports and supporting documents were examined and verified for Vacation and Sick time accrual balances.

## **Findings**

Upon examination, we found the timing of this transaction excludes an accrual for the first pay period of employment. According to the criteria stated in the Handbook, vacation and sick time accruals are populated in Kronos following the 6 month, 13<sup>th</sup> payroll, probation period. Employees are being shorted a vacation and sick time accrual for the number of days they worked in the first pay period.

## **Recommendation**

Update Kronos accruals, for each eligible employee, to reflect balances as directed in the Johnson County Employee Handbook.

Thank you and your staff for your courtesy and cooperation shown during the audit.

Sincerely,



Kathy Rice  
Audit Manager

Reviewed by: S. Watson





## JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

October 13<sup>th</sup>, 2022

The Honorable Scott Porter  
Tax Assessor-Collector  
Johnson County  
2 North Mill St.  
Cleburne, Texas 76033

RE: Auditor's Report – FY22 Q4 Tax Office Boat Registration

### **Summary**

In accordance with Local Government Code, Sections 112 and 115, the Auditor's Office performed a review of the Quickbooks reconciliations for the Boat Registrations bank account for the Fourth Quarter of the 2022 fiscal year. To accomplish the audit, the Quick Books reconciliation reports, daily deposit slips, Texas Parks & Wildlife (TP&W) reports and the First Financial bank statements, were reviewed.

### **Background**

The Tax Assessor-Collector assesses and collects taxes for Johnson County. Additionally, the Tax Office is tasked with collecting various taxes and fees related to ad valorem, motor vehicles, trailers, boats, beer and wine as well as liquor.

### **Scope**

The Tax Office Quickbooks accounting software, and bank statements were examined to ensure bank reconciliations were properly accomplished. Bank reconciliations explain differences, at a particular point in time, between the balances shown on the Boat registration bank statements, as supplied by the bank, and the balance as shown on the general ledger in Quickbooks.

## Objective:

Compare all outstanding deposits and any un-cleared checks on the Quickbooks reconciliation reports with the TP&W deposit reports to the First Financial bank statements for each month from July through September 2022.

## Findings

### Aged reconciling items

- a. November 2018 to May 2020 – There are three miscellaneous differences in the deposits and payments netting to  $\$(2.25)^{AI}$  that are still listed as outstanding differences and was verified by the internal auditors.  
Unresolved items still outstanding for this quarter are:
  - $\$ -.75$  cent bank deposit dated November 27, 2018
  - $\$ -1.00$  Deposit credit on August 2, 2019
  - $\$ -.50$  Credit for May 27, 2020
- b. June 2019 to May 2022 – There are numerous rounding differences outstanding netting to  $\$0.12^{AI}$  that are still listed as outstanding differences on the QB Recon Detail report as of this quarter.

## Recommendation

We recommend that the Tax Office staff clear all aged items in the current quarter. We also recommend that all future adjustments and corrections be completed within the current quarter it was created.

We appreciate the cooperation of the Tax Office during our review. If you have any questions concerning this report, please do not hesitate to call.

Sincerely,



Kathy Rice  
Audit Manager

Reviewed: Steven Watson





## JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

October 17<sup>th</sup>, 2022

The Honorable J. Scott Porter  
Tax Assessor-Collector  
Johnson County  
2 N. Mill Street  
Cleburne, Texas 76033

RE: Auditor's Report – FY22 Q4 Tax Office Sales Tax on Registration

Dear Mr. Porter:

### **Summary**

In accordance with Local Government Code, Sections 112 and 115, the Auditor's Office performed a review of the Quickbooks (QB) reconciliations for the Sales Taxes bank account for the Fourth Quarter of the 2022 fiscal year. To accomplish the audit, the Quickbooks bank reconciliation reports, daily deposit slips, Texas Department of Motor Vehicle reports for Sales Taxes and the bank statements were examined.

### **Background**

The Tax Assessor-Collector assesses and collects taxes for Johnson County. Additionally, the Tax Office is tasked with collecting various taxes and fees related to ad valorem, motor vehicles, trailers, boats, beer and wine as well as liquor.

### **Scope**

The Tax Office QB accounting software, and bank statements were examined to ensure bank reconciliations were properly accomplished. Bank reconciliations explain differences, at a particular point in time, between the balances shown on the statements, as supplied by the bank, and the balance as shown on the general ledger from QB's.

### **Objective**

Compare all outstanding deposits and any un-cleared checks on the QB reconciliation reports and the TDMV deposit reports to the First Financial bank statements for each month, from July through September 2022.

## Findings

### Reconciliation Differences

1. As of September 2022 – The General Ledger Book balance does not reflect what the ending balance should have been. Recon has an end date of 10.02.22<sup>A2</sup>.
2. Adjustment credits should be listed on a separate line and not deducted from the recon sheet deposit for the day, since the deposit does not reflect that credit<sup>A3</sup>.
3. Deposits were entered as of the date they were credited by the bank, not the date of the receipt. Sept. 30<sup>th</sup> \$197,668.66<sup>A5</sup> was entered as of 10.03.22<sup>A4</sup>.
4. A deposit for the IRP RegEm fees were not entered into the QB system, causing a difference from the excel recon sheet<sup>A5</sup> to the books and should show as a missing or in transit deposit. \$688.68<sup>A1</sup> on 09.28.22.

### Recommendations

1. Run the G/L for the last day of the month, for an accurate total <sup>A2</sup>.
2. Enter all transactions into the QB software as of the receipt / transaction date<sup>A2</sup>.
3. Enter deposits for the date of the receipt and by deposit slip for ease of reconciliation<sup>A2</sup>.
4. It would be very helpful if on entering the expenses that there was a description of the date of the transaction and what it was for in the 'Ref No.' column that shows on the QB report<sup>A2</sup>.

Thank you and your staff for your courtesy and cooperation shown during the audit.

Sincerely,



Kathy Rice  
Audit Manager

Reviewed: Steven Watson





# Johnson County Auditor

Johnson County Courthouse

#2 N. Main

Cleburne, Texas 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

May 1, 2023

Judge Sydney Hewlett, 18th District  
Judge Tiffany Strother, 249th District  
Judge William Bosworth, 413th District  
Chris Boedecker, County Judge  
Rick Bailey, Commissioner, Pct. 1  
Kenny Howell, Commissioner, Pct. 2  
Mike White, Commissioner, Pct. 3  
Larry Woolley, Commissioner, Pct. 4

Honorable Judges and Commissioners:

The following audits were completed during the quarter of Jan. - Mar. '23.

<u>OFFICE</u>	<u>AUDIT PERIOD</u>	<u>AUDIT COMPLETED</u>	<u>FINDINGS</u>
Adult Probation - CSCD	Oct. 22 to Dec. 22	08-Feb-23	N
Constable 1	Oct. 22 to Dec. 22	03-Feb-23	Yes
Constable 2	Oct. 22 to Dec. 22	03-Feb-23	N
Constable 3	Oct. 22 to Dec. 22	03-Feb-23	N
Constable 4	Oct. 22 to Dec. 22	03-Feb-23	N
County & District Attorney Hot Check Collections	Oct. 22 to Dec. 22	20-Jan-23	N
County & District Attorney's Trust & Deposits	Oct. 22 to Dec. 22	20-Jan-23	N
County Clerk Court Cash Bond	Oct. 22 to Dec. 22	30-Mar-23	N
District Clerk Fines & Fees (General Fund)	Apr. 22 to Dec. 22	24-Jan-23	N
District Clerk General Registry of Court	Jul. 22 to Dec. 22	07-Feb-23	N
District Clerk Jury Account	Oct. 22 to Dec. 22	10-Feb-23	Yes
Elections	Oct. 22 to Dec. 22	04-Jan-23	N
Fuel Cards	Oct. 22 to Dec. 22	05-Jan-23	N
Hamm Creek	Oct. 22 to Dec. 22	04-Jan-23	N
Indigent Health Care	Oct. 22 to Dec. 22	15-Feb-23	N
JP-1	Oct. 22 to Dec. 22	20-Feb-23	N
JP-2	Oct. 22 to Dec. 22	20-Feb-23	N
JP-3	Oct. 22 to Dec. 22	20-Feb-23	N
JP-4	Oct. 22 to Dec. 22	20-Feb-23	N
Juvenile Probation	Oct. 22 to Dec. 22	27-Jan-23	N

Payroll - General	Oct. 22 to Dec. 22	31-Mar-23	N
Postage	Oct. 22 to Dec. 22	11-Jan-23	N
Sheriff's Office - Bail Bond Coupons	Oct. 22 to Dec. 22	08-Feb-23	N
Sheriff's Office - Fines, Bonds & Escrow Account	Oct. 22 to Dec. 22	23-Feb-23	N
Sheriff's Office - Jail Inmate Trust and Commissary Accts	Oct. 22 to Dec. 22	08-Feb-23	N
Sheriff's Office - LEOSE Account	Oct. 22 to Dec. 22	23-Feb-23	N
Sheriff's Office - Evidence Room	Jan. 22 to Jan. 23	03-Mar-23	N
Sheriff's Office - STOP	Jan. 22 to Jan. 23	19-Jan-23	N
Tax Office - Ad Valorem Account	Oct. 22 to Dec. 22	26-Mar-23	N
Tax Office - Auto Registration	Oct. 22 to Dec. 22	22-Mar-23	N
Tax Office - Boat Registration	Oct. 22 to Dec. 22	28-Mar-23	Yes
Tax Office - Sales Tax	Oct. 22 to Dec. 22	17-Mar-23	N
Treasurer	Oct. 22 to Dec. 22	07-Mar-23	N

NOTE: Findings description is as follows:

N = No findings/exceptions found

YES = Finding/exception found-see attached Audit Letter to the Department Head

Please do not hesitate to let me know if you have any questions.

Sincerely,



Steven E. Watson  
Johnson County Auditor

klr 



## JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

February 8, 2023

The Honorable Matt Wylie  
Constable Precinct #1  
Johnson County  
3390 FM 1434  
Cleburne, Texas 76033

Dear Constable Wylie,

RE: Auditor's Report-Constable Precinct #1 FY23 Q1

### **Summary**

In accordance with Chapter 115 of the Local Government Code, we completed the regular quarterly audit procedures for the Constable Precinct #1 for the time period July-September 2022.

### **Background**

The Johnson County Precinct #2 collects and disburses fees for fines, child support, and Constable sales.

### **Scope**

To accomplish this audit we examined reports, bank statements, and supporting documents, and verified funds collected had been appropriately disbursed.

### **Objective**

To review all collateral documents and ensure they are current, meet statutory minimums, and are properly recorded.



## Findings

- 1.) Bank deposits for the end of the past month and the beginning of the current month are deposited on the same deposit slip.

## Recommendation


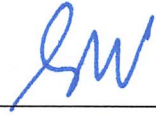
- 1.) The Auditor's office recommendation is that all bank deposits be made during their respective months. Ex: If the end of the month comes in the middle of the week, place that month's deposit on one deposit slip and the beginning of the new month on another bank deposit slip. This ensures that all deposits are captured in the months they were collected in.

Thank you and your staff for your courtesy and cooperation shown during this audit.

Sincerely,



Sherron Beard  
Internal Auditor

Reviewed by: KRice  SWatson 



JOHNSON COUNTY AUDITOR  
JOHNSON COUNTY COURTHOUSE  
#2 N. MAIN  
CLEBURNE, TEXAS 76033  
Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

February 17<sup>th</sup>, 2023

The Honorable David Lloyd  
District Clerk  
Johnson County  
204 South Buffalo  
Cleburne, TX 76033

RE: Auditor's Report – FY23 Q1 District Clerk, Jury Fund

Dear Mr. Lloyd,

### Summary

In accordance with Local Government Code, Section 115, the Auditor's Office performed an audit of the District Clerk's Jury Services for the First Quarter, October through December 2022, of the 2023 fiscal year.

### Background

The District Clerk's Office is the official custodian of record, and is responsible for the care and safekeeping of all court records for the District Courts of Johnson County. They also maintain and manage the records and monies for court fees, custodial accounts which are invested for the benefit of many minor children, bail bond forfeitures and all tax lawsuits. The office also produces a substantial number of court documents including, but not limited to, civil citations, criminal warrants, criminal judgments and sentences and protective orders.

In accordance with Texas Government Code, a person who reports for jury service is entitled to receive reimbursement for travel and expenses for amounts not less than \$6 for the first day of service and \$40 for any additional days. The State of Texas reimburses Johnson County \$34 a day for the amounts paid to a person who reports for jury service in response to a summons for each day or fraction of each day *after* the first day of attendance.

## Scope

To complete the regular audit procedures for the District Clerk's Juror forms for this period. Forms are completed and signed by each juror confirming to whom the juror payment is to be made. If the juror chooses to donate their funds, they do so by selecting a recipient or recipients from a preapproved list.

## Objective

The objective of the audit was to determine whether controls were adequate to reasonably ensure that the payments made to jurors were authorized, accurate, and properly paid during the three (3) month period ended December 31<sup>st</sup>, 2022.

## Findings

There were multiple exceptions that would lead us to conclude that the collections and disbursements for this period were, in all material respects, not correctly remitted and reported.

1. Multiple Missing Forms based on the Payment Edit Report
2. Error in disbursing the funds: To Juror when requesting a donation, donation errors.
3. Extra forms in some batches, were not paid to the juror per the form.
4. Batch #9900605 had two (2) jurors paid for five (5) days of service, (forms were missing from the batch). No explanation as to why.

On February 16<sup>th</sup> the Auditors office met with the District Clerks office to review the above issues. We had a good discussion on the processes and all agreed on how these issues occur. The District Clerks office is going to try to resolve these issues and send the needed items to the Auditors office.

## Recommendation:

It is recommended that closer attention is paid to the forms, making sure that all forms are in the batch and that the batches are balanced before submitting to the Treasurer's office.

Thank you and your staff for your courtesy and cooperation shown during the audit.

Sincerely,



Kathy Rice  
Audit Manager

Reviewed: Steven W. 



## JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

March 28<sup>th</sup>, 2023

The Honorable Scott Porter  
Tax Assessor-Collector  
Johnson County  
2 North Mill St.  
Cleburne, Texas 76033

RE: Auditor's Report – FY23 Q1 Tax Office Boat Registration

### **Summary**

In accordance with Local Government Code, Sections 112 and 115, the Auditor's Office performed a review of the Quickbooks reconciliations for the Boat Registrations bank account for the first quarter of the 2023 fiscal year. To accomplish the audit, the Quick Books reconciliation reports, daily deposit slips, Texas Parks & Wildlife (TP&W) reports and the First Financial bank statements, were reviewed.

### **Background**

The Tax Assessor-Collector assesses and collects taxes for Johnson County. Additionally, the Tax Office is tasked with collecting various taxes and fees related to ad valorem, motor vehicles, trailers, boats, beer and wine as well as liquor.

### **Scope**

The Tax Office Quickbooks accounting software, and bank statements were examined to ensure bank reconciliations were properly accomplished. Bank reconciliations explain differences, at a particular point in time, between the balances shown on the Boat registration bank statements, as supplied by the bank, and the balance as shown on the general ledger in Quickbooks.

**Objective:**

Compare all outstanding deposits and any un-cleared checks on the Quickbooks reconciliation reports with the TP&W deposit reports to the First Financial bank statements for each month from October through December 2022.

**Findings****Aged reconciling items**

- a. November 2018 to May 2020 – There are three miscellaneous differences in the deposits and payments netting to  $\$(2.25)^{A1}$  that are still listed as outstanding differences and was verified by the internal auditors.  
Unresolved items still outstanding for this quarter are:  
 $\$ -0.75$  cent bank deposit dated November 27, 2018  
 $\$ -1.00$  Deposit credit on August 2, 2019  
 $\$ -0.50$  Credit for May 27, 2020
- b. June 2019 to May 2022 – There are numerous rounding differences outstanding netting to  $\$0.12^{A1}$  that are still listed as outstanding differences on the QB Recon Detail report as of this quarter.

**Recommendation**

- a. We recommend the Tax Office staff clear all aged items identified above, in the current quarter. We also recommend that all future adjustments and corrections be completed within the quarter in which they occur.
- b. The cause of the rounding differences has been identified. Implement the discussed solution, in order to prevent future rounding issues.

We appreciate the cooperation of the Tax Office during our review. If you have any questions concerning this report, please do not hesitate to call.

Sincerely,



Kathy Rice  
Audit Manager

Reviewed: Steven Watson





# Johnson County Auditor

Johnson County Courthouse  
#2 N. Main  
Cleburne, Texas 76033  
Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

July 17, 2023

Judge Sydney Hewlett, 18th District  
Judge Tiffany Strother, 249th District  
Judge William Bosworth, 413th District  
Judge Christopher Boedeker, County Judge  
Rick Bailey, Commissioner, Pct. 1  
Kenny Howell, Commissioner, Pct. 2  
Mike White, Commissioner, Pct. 3  
Larry Woolley, Commissioner, Pct. 4

Honorable Judges and Commissioners:

The following audits were completed during the quarter of Apr. - Jun. '23.

<b><u>OFFICE</u></b>	<b><u>AUDIT PERIOD</u></b>	<b><u>AUDIT COMPLETED</u></b>	<b><u>FINDINGS</u></b>
Adult Probation - CSCD	Jan.23 to Mar.23	20-Jun-23	N
Constable 1	Jan.23 to Mar.23	21-Apr-23	N
Constable 2	Jan.23 to Mar.23	21-Apr-23	N
Constable 3	Jan.23 to Mar.23	21-Apr-23	N
Constable 4	Jan.23 to Mar.23	21-Apr-23	N
County & District Attorney Hot Check Collections	Jan.23 to Mar.23	10-May-23	N
County & District Attorney's Trust & Deposits	Jan.23 to Mar.23	10-May-23	N
County Clerk Court Cash Bond	Jan.23 to Mar.23	10-May-23	N
County Clerk Court Fines & Fees (General Fund)	Oct.22 to Mar.23	19-May-23	N
District Clerk Fines & Fees (General Fund)	Jan.23 to Mar.23	03-May-23	N
District Clerk General Registry of Court	Jan.23 to Mar.23	22-May-23	N
District Clerk Jury Account	Jan.23 to Mar.23	02-Jun-23	Yes
Elections	Jan.23 to Mar.23	06-Apr-23	N
Fuel Cards	Jan.23 to Mar.23	06-Apr-23	N
Hamm Creek	Jan.23 to Mar.23	06-Apr-23	N
Indigent Health Care	Jan.23 to Mar.23	17-May-23	N
JP-1	Jan.23 to Mar.23	03-May-23	N
JP-2	Jan.23 to Mar.23	03-May-23	N
JP-3	Jan.23 to Mar.23	03-May-23	N
JP-4	Jan.23 to Mar.23	03-May-23	N

Juvenile Probation	Jan.23 to Mar.23	28-Apr-23	N
Payroll - General	Jan.23 to Mar.23	16-May-23	N
Postage	Jan.23 to Mar.23	14-Apr-23	N
Sheriff's Office - Bail Bond Coupons	Jan.23 to Mar.23	13-Apr-23	N
Sheriff's Office - Fines, Bonds & Escrow Account	Jan.23 to Mar.23	06-Jun-23	N
Sheriff's Office - Jail Inmate Trust and Commissary Accts	Jan.23 to Mar.23	26-Apr-23	N
Sheriff's Office - LEOSE Account	Jan.23 to Mar.23	06-Jun-23	N
Tax Office - Ad Valorem Account	Jan.23 to Mar.23	22-May-23	N
Tax Office - Auto Registration	Jan.23 to Mar.23	05-May-23	N
Tax Office - Boat Registration	Jan.23 to Mar.23	23-May-23	Yes
Tax Office - Sales Tax	Jan.23 to Mar.23	24-May-23	N
Treasurer - Bail Bond Collateral (Annual)	Jan.23 to Mar.23	12-Jun-23	N

NOTE: Findings description is as follows:

N = No findings/exceptions found

YES = Finding/exception found-see attached Audit Letter to the Department Head

Please do not hesitate to let me know if you have any questions.

Sincerely,

Steven E. Watson  
Johnson County Auditor

klr



## JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

June 2<sup>nd</sup>, 2023

The Honorable David Lloyd  
District Clerk  
Johnson County  
204 South Buffalo  
Cleburne, TX 76033

RE: Auditor's Report – FY23 Q2 District Clerk, Jury Fund

Dear Mr. Lloyd,

### **Summary**

In accordance with Local Government Code, Section 115, the Auditor's Office performed an audit of the District Clerk's Jury Services for the second quarter, ending March 2023, of the 2023 fiscal year.

### **Background**

The District Clerk's Office is the official custodian of record, and is responsible for the care and safekeeping of all court records for the District Courts of Johnson County. They also maintain and manage the records and monies for court fees, custodial accounts which are invested for the benefit of many minor children, bail bond forfeitures and all tax lawsuits. The office also produces a substantial number of court documents including, but not limited to, civil citations, criminal warrants, criminal judgments and sentences and protective orders.

In accordance with Texas Government Code, a person who reports for jury service is entitled to receive reimbursement for travel and expenses for amounts not less than \$6 for the first day of service and \$40 for any additional days. The State of Texas reimburses Johnson County \$34 a day for the amounts paid to a person who reports for jury service in response to a summons for each day or fraction of each day *after* the first day of attendance.



## Scope

To complete the regular audit procedures for the District Clerk's Juror forms for this period. Forms are completed and signed by each juror confirming to whom the juror payment is to be made. If the juror chooses to donate their funds, they do so by selecting a recipient or recipients from a preapproved list.

## Objective

The objective of the audit was to determine whether controls were adequate to reasonably ensure that the payments made to jurors were authorized, accurate, and properly paid during the three (3) month period ended March 31<sup>st</sup>, 2023.

## Observations

The Auditors office previously met with the District Clerks office to review processing errors like the items identified below.

1. Multiple Missing Forms based on the Payment Edit Report
2. Batch #9900592 had two (2) jurors paid for one (1) day of service, (forms were missing from the batch without an explanation).
3. Error in disbursing the funds in Batch #9900617. Check went to the juror when a donation was requested.

There were also some issues caused by a juror software upgrade. The District Clerks office is working to remedy these issues.

## Recommendation:

It is recommended that closer attention be paid to the forms, making sure that all forms are in the batch and that the batches are balanced before submitting to the Treasurer's office.

Thank you and your staff for your courtesy and cooperation shown during the audit.

Sincerely,



Kathy Rice  
Audit Manager

Reviewed: Steven W. 



## JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson  
County Auditor

Jennifer R. Lyon  
First Assistant County Auditor

May 24<sup>th</sup>, 2023

The Honorable Scott Porter  
Tax Assessor-Collector  
Johnson County  
2 North Mill St.  
Cleburne, Texas 76033

RE: Auditor's Report – FY23 Q2 Tax Office Boat Registration

### **Summary**

In accordance with Local Government Code, Sections 112 and 115, the Auditor's Office performed a review of the Quickbooks reconciliations for the Boat Registrations bank account for the second quarter of the 2023 fiscal year. To accomplish the audit, the Quick Books reconciliation reports, daily deposit slips, Texas Parks & Wildlife (TP&W) reports and the First Financial bank statements, were reviewed.

### **Background**

The Tax Assessor-Collector assesses and collects taxes for Johnson County. Additionally, the Tax Office is tasked with collecting various taxes and fees related to ad valorem, motor vehicles, trailers, boats, beer and wine as well as liquor.

### **Scope**

The Tax Office Quickbooks accounting software, and bank statements were examined to ensure bank reconciliations were properly accomplished. Bank reconciliations explain differences, at a particular point in time, between the balances shown on the Boat registration bank statements, as supplied by the bank, and the balance as shown on the general ledger in Quickbooks.

**Objective:**

Compare all outstanding deposits and any un-cleared checks on the Quickbooks reconciliation reports with the TP&W deposit reports to the First Financial bank statement for the month of March 2023.

**Findings****Aged reconciling items**

- a. November 2018 to May 2020 – There are three miscellaneous differences in the deposits and payments netting to  $\$(2.25)^{A1}$  that are still listed as outstanding differences and was verified by the internal auditors.  
Unresolved items still outstanding for this quarter are:
  - $\$ -0.75$  cent bank deposit dated November 27, 2018
  - $\$ -1.00$  Deposit credit on August 2, 2019
  - $\$ -0.50$  Credit for May 27, 2020
- b. June 2019 to January 2023 – There are numerous rounding differences outstanding netting to  $\$0.12^{A1}$  that are still listed as outstanding differences on the QB Recon Detail report as of this quarter.

**Recommendation**

- a. We recommend the Tax Office staff clear all aged items identified above, in the current quarter. We also recommend that all future adjustments and corrections be completed within the quarter in which they occur.
- b. The cause of the rounding differences has been identified. Implement the discussed solution, in order to prevent future rounding issues.

We appreciate the cooperation of the Tax Office during our review. If you have any questions concerning this report, please do not hesitate to call.

Sincerely,



Kathy Rice  
Audit Manager

Reviewed: Steven Watson

