

## AGENDA PLACEMENT FORM

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

**Date:** 01/06/2025

**Meeting Date:** 01/13/2025

**Submitted By:** Steve Watson

**Department:** County Auditor

**Signature of Elected Official/Department Head:**



**Court Decision:**

This section to be completed by County Judge's Office



1-13-25

**Description:**

Acknowledgment of the Quarterly Report to Judges for Audits Completed

During the Quarter of October through December 2024 - Auditors Office

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(May attach additional sheets if necessary)

**Person to Present:** Steve Watson

(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:** N/A minutes

**Session Requested:** (check one)

☐ Action Item    ☒ Consent    ☐ Workshop    ☐ Executive    ☐ Other \_\_\_\_\_

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

☐ County Attorney    ☐ IT    ☐ Purchasing    ☒ Auditor

☐ Personnel    ☐ Public Works    ☐ Facilities Management

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

**Please List All External Persons Who Need a Copy of Signed Documents  
In Your Submission Email**

Approved in CC on 9/11/2023



## 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 3, 2025

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 Oct. - Dec. '24.

<b><u>OFFICE</u></b>	<b><u>AUDIT PERIOD</u></b>	<b><u>AUDITOR COMPLETED</u></b>	<b><u>FINDINGS</u></b>
Adult Probation - CSCD	Jul.24 - Sep.24	26-Nov-24	N
Constable 1	Jul.24 - Sep.24	28-Oct-24	N
Constable 2	Jul.24 - Sep.24	28-Oct-24	N
Constable 3	Jul.24 - Sep.24	28-Oct-24	N
Constable 4	Jul.24 - Sep.24	28-Oct-24	N
County & District Attorney Hot Check Collections	Jul.24 - Sep.24	06-Nov-24	N
County Clerk Court Cash Bond	Jul.24 - Sep.24	21-Oct-24	N
County Clerk Court Fines & Fees (General Fund)	Jul.24 - Sep.24	08-Nov-24	N
County Clerk Recording	Jul.24 - Sep.24	25-Nov-24	N
County Clerk Registry of Court	Jul.24 - Sep.24	21-Oct-24	N
District Clerk Fines & Fees (General Fund)	Jul.24 - Sep.24	06-Nov-24	N
District Clerk General Registry of Court	Jul.24 - Sep.24	24-Oct-24	Y
District Clerk Jury Account	Jul.24 - Sep.24	30-Oct-24	N
Elections	Jul.24 - Sep.24	10-Oct-24	N
Hamm Creek	Jul.24 - Sep.24	09-Oct-24	N
Indigent Health Care	Jul.24 - Sep.24	17-Oct-24	N
JP-1	Jul.24 - Sep.24	06-Nov-24	N
JP-2	Jul.24 - Sep.24	22-Nov-24	Y

JP-3	Jul.24 - Sep.24	06-Nov-24	N
JP-4	Jul.24 - Sep.24	06-Nov-24	N
Juvenile Probation	Jul.24 - Sep.24	01-Nov-24	N
Payroll - General	Jul.24 - Sep.24	11-Oct-24	N
Payroll - Salary (Annual)	FY2025	06-Dec-24	N
Postage	Jul.24 - Sep.24	06-Nov-24	N
Public Works	Jul.24 - Sep.24	26-Nov-24	N
Sheriff's Office - Fines, Bonds & Escrow Account	Jul.24 - Sep.24	07-Nov-24	N
Sheriff's Office - Jail Inmate Trust and Commissary Accts	Jul.24 - Sep.24	12-Nov-24	N
Sheriff's Office - LEOSE Account	Jul.24 - Sep.24	20-Nov-24	N
Sheriff's Office - STOP (Annual)	FY2024	21-Nov-24	N
Tax Office - Ad Valorem Account	Jul.24 - Sep.24	01-Nov-24	N
Tax Office - Boat Registration	Jul.24 - Sep.24	24-Oct-24	N
Tax Office - Sales Tax	Jul.24 - Sep.24	19-Nov-24	N
Treasurer	Jul.24 - Sep.24	12-Dec-24	N
Treasurer - Bail Bond Collateral (Annual)	FY2024	24-Sep-24	N

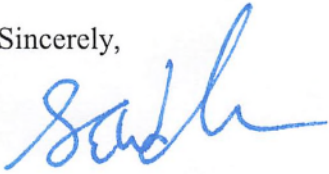
NOTE: Findings description is as follows:

N = No findings/exceptions found

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

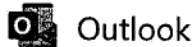
Please do not hesitate to let me know if you have any questions.

Sincerely,



Steven E. Watson  
Johnson County Auditor

klr



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**Re: FY24 Q4 DC Registry Audit Letter Draft (Findings)**

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**From** David R. Lloyd <dlloyd@johnsoncountytexas.org>

**Date** Thu 31-Oct-24 10:04 AM

**To** Audit-Letters <audit-letters@johnsoncountytexas.org>

**Cc** Chris Taylor <cltaylor@johnsoncountytexas.org>; Sady Whitley <swhitley@johnsoncountytexas.org>; Dwight Crowe <dwrightc@johnsoncountytexas.org>

Dear Mr. Watson:

I would like to express my appreciation for your prompt and thorough review of Audit Report, FY24 Q4 Registry Account. I agree with your findings, and I am pleased that the review was conducted with minimal impact on my staff. Your audit team, working together with my Chief Financial Officer and Management Staff is to be commended for a job well done.

Respectfully,

David R. Lloyd  
DISTRICT CLERK  
Johnson County, Texas  
817.556.6105

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**From:** Audit-Letters <audit-letters@johnsoncountytexas.org>

**Sent:** Thursday, October 31, 2024 10:59:28 AM

**To:** David R. Lloyd <dlloyd@johnsoncountytexas.org>

**Cc:** Chris Taylor <cltaylor@johnsoncountytexas.org>; Sady Whitley <swhitley@johnsoncountytexas.org>; Dwight Crowe <dwrightc@johnsoncountytexas.org>

**Subject:** FY24 Q4 DC Registry Audit Letter Draft (Findings)

Mr. Lloyd,

Please review the attached draft letter for this audit.

If you agree with this letter, Reply with your Approval.

Once approved, this will be submitted to Commissioners Court.

Thank you,

SW

**Steve Watson**  
Johnson County Auditor

P: 817-556-6305

E: [swatson@johnsoncountytexas.org](mailto:swatson@johnsoncountytexas.org)



## 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 24<sup>th</sup>, 2024

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

RE: Auditor's Report – FY24 Q4 District Clerk's Registry Account

Dear Mr. Lloyd,

### Summary

In accordance with Local Government Code, Section 115, the Auditor's Office performed a desk review of the District Clerk's Registry of the Court from July through September 2024.

### Background

The District Clerk's Office is the official custodian of records, and is responsible for the care and safekeeping of all court records for the District Courts of Johnson County. It also maintains and manages 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.

### Scope

Our review was limited to the examination of the District Clerk's Registry bank statements, disbursements, and Trust Owners account balances for the quarter ended September 2024.



## Objective

1. To accomplish this audit, we examined various reports and their supporting documentation and verified that collections made by cash, check and credit cards were accurate for this period. We ensured that funds collected on the receipt journal from Odyssey matched the monthly worksheet log of fees received.
2. The accuracy of the bank reconciliation was confirmed by comparing the Odyssey Trust Account Owner's Report to the book balance on the bank reconciliation.
3. To ensure the liability account funds were properly disbursed, per Local Government Code 117, we verified that a signed Court Order authorized the payments.

## Findings

1. Three checks for case number DC-T201900272 were not sent to the entity identified in the Court Order. The Court Order specifies that the disbursement should go to the Johnson County Tax Office, yet the checks were sent to the individual taxing entities that were named in the Court Order. Checks numbered 7274 through 7276 for a combined total of \$1,631.67 were sent to Alvarado ISD, Hill College, and the Johnson County Treasurer.
2. Three Registry accounts on case number DC-C202200496 were transferred to investment on September 10, 2024 without a matching investment account opened as of October 24, 2024. The three checks numbered 7325 through 7327 have a combined total of \$15,272.40.

## Recommendations

1. Ensure that any court ordered payments are made as per the signed order and verified by a supervisor.
2. Ensure that any court ordered registry accounts are set up as soon as possible.

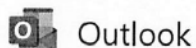
Thank you and your staff for your courtesy and cooperation shown during the audit.

Sincerely,



Steven Watson  
Johnson County Auditor

cc: Dwight Crowe, Senior Internal Auditor  
cc: Kathy Rice, Audit Manager



Outlook

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**RE: FY24 Q4 Audit Letter Draft - 2 Findings**

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**From** Jeff Monk <JMonk@johnsoncountytexas.org>

**Date** Tue 03-Dec-24 8:56 AM

**To** Audit-Letters <audit-letters@johnsoncountytexas.org>

**Cc** Nikki Ashley <nashley@johnsoncountytexas.org>; Sherron A. Beard <Sherron@johnsoncountytexas.org>

Good Morning Sir,

I do agree with your findings with the following comments.

I would like to bring to the attention that the clerk in questioned failed to follow pre set steps on processing the bonds and Nikki Ashley has added an additional step since the bond audit to assist with accountability and a quicker identification of errors made in the process of bond entries. This additional step, an automatic weekly report that will be generated will help in addressing any issues with bond processes as well as ensuring staff is entering the bonds correctly.

They clerk in question is no longer employed with the county and moving forward I hope that this error is never an issue during future audits of this office.

I thank you and your staff in the diligent work you all do to help to ensure that all county offices develop proper internal auditing procedures to ensure accountability of the funds we collect and process on a daily basis.

Respectfully,

*Judge Jeff Monk*

**Judge Jeff Monk, Justice of the Peace, Pct. 2**

**247 Elk Drive, Suite 107**

**Burleson, TX 76028**

**817.558.0111 ext. 2543 Office**

**817.202.2953 Direct**

**817.447.5911 Fax**



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817-558-0111 ext. 2543 immediately. Any email erroneously transmitted to you should be immediately returned to the sender by email and destroyed.

**From:** Audit-Letters <audit-letters@johnsoncountytexas.org>  
**Sent:** Monday, December 2, 2024 3:50 PM  
**To:** Jeff Monk <JMonk@johnsoncountytexas.org>  
**Cc:** Nikki Ashley <nashley@johnsoncountytexas.org>; Sherron A. Beard <Sherron@johnsoncountytexas.org>  
**Subject:** FY24 Q4 Audit Letter Draft - 2 Findings

Judge Monk,

Please review the attached draft letter for this audit.

If you agree with this letter, Reply with your Approval.

Once approved, this will be submitted to Commissioners Court.

Thank you,

sw

**Steve Watson**  
Johnson County Auditor

P: 817-556-6305  
E: [swatson@johnsoncountytexas.org](mailto:swatson@johnsoncountytexas.org)



## 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 22<sup>nd</sup>, 2024

The Honorable Jeff Monk  
Justice of the Peace, Precinct Two  
Johnson County  
247 Elk Drive  
Burleson, Texas 76028

Dear Judge Monk,

RE: Auditor's Report – FY24 Q4 JP Precinct Two

### **Summary**

In accordance with Chapter 115 of the Local Government Code, we completed the regular quarterly audit procedures for the Justice of the Peace, Precinct Two office for the quarter ending September 2024.

### **Background**

The Justice of the Peace has original jurisdiction in criminal matters of misdemeanor cases punishable by fine only, and such other jurisdiction as may be provided by law. A JP may issue warrants for search and arrest, conduct preliminary hearings, administer oaths, and perform marriages. The court also functions as a small claims court in civil matters in which exclusive jurisdiction is not, in district or county court, and the amount in controversy does not exceed \$20,000. They also deal with matters concerning foreclosure of mortgages and enforcement of liens on personal property.

### **Scope**

To accomplish this audit, we examined various reports and their supporting documentation for accuracy; verified that daily cash, check and credit card deposits match to their corresponding

daily collections report; ensured that all funds collected and due to others had been accurately disbursed; and mailed confirmation letters to randomly selected defendants requesting independent verification of payments recorded by the JP-2 office for this time period.

## **Objective**

We reviewed all collateral documents to ensure they were current, met statutory minimums, and were properly recorded.

## **Findings**

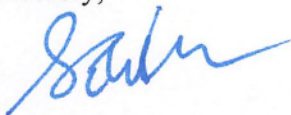
- 1) In March 2024 the Cash Bond account had a total of \$8,335.69, most of which had been entered incorrectly into the previous software used. The funds needed to be extracted from "Criminal Cash Bond" and entered correctly into either "Refund" or "Fees" in the current Odyssey software. These funds remained in "Criminal Cash Bonds" thru August 2024 when another request was issued to correct these entries before the conversion into the new software.
- 2) In August a clerk failed to enter check correctly or deposit the check. Said check was forwarded to the Auditor's office 18 days after the check was receipted with no payment type.

## **Recommendations**

- 1) Review the cash bond account on a regular basis to ensure that these are cleared in a timely manner. Currently the majority of these issues were to be corrected with the help of the IT department, due to lack of access to the aged items. We recommend that you continue to work with IT to ensure these are cleared before the software conversion.
- 2) Work with staff to help them understand the importance of entering checks into the system on the day they are received, and in that day's deposit to the bank.

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

Sincerely,



Steven Watson  
Johnson County Auditor

cc: Sherron Beard, Internal Auditor  
cc: Kathy Rice, Audit Manager