

**ATTESTATION REPORT  
OF  
DODGE COUNTY COURT**

**JULY 1, 2009 THROUGH JUNE 30, 2011**

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**Issued on April 17, 2012**

# DODGE COUNTY COURT

## TABLE OF CONTENTS

	<u>Page</u>
<b><u>Comments Section</u></b>	
Summary of Comments	1
Comments and Recommendations	2
<b><u>Financial Section</u></b>	
Independent Accountant's Report	3 - 4
Financial Schedules:	
Schedule of Changes in Assets and Liabilities Arising from Cash Transactions - Agency Funds - For the Fiscal Year Ended June 30, 2011	5
Schedule of Changes in Assets and Liabilities Arising from Cash Transactions - Agency Funds - For the Fiscal Year Ended June 30, 2010	6
Notes to Financial Schedules	7

# DODGE COUNTY COURT

## SUMMARY OF COMMENTS

During our examination of Dodge County Court, we noted certain deficiencies in internal control that we consider to be a material weakness and other operational matters that are presented here.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial schedule will not be prevented, or detected and corrected on a timely basis.

These comments and recommendations are intended to improve the internal control over financial reporting or result in operational efficiencies in the areas as follows:

1. ***Segregation of Duties:*** Considered to be a material weakness, one individual was capable of handling all phases of a transaction from beginning to end.
2. ***Recording of Court Orders/Citations:*** The County Court did not have adequate procedures in place to ensure the complete, accurate, and timely entry of all court orders and/or citations into the JUSTICE system.

More detailed information on the above items is provided hereafter. It should be noted that this report is critical in nature as it contains only our comments and recommendations on the areas noted for improvement and does not include our observations on any accounting strengths of the County Court.

Draft copies of this report were furnished to the County Court to provide them an opportunity to review the report and to respond to the comments and recommendations included in this report. All formal responses received have been incorporated into this report. Responses have been objectively evaluated and recognized, as appropriate, in the report. Responses that indicate corrective action has been taken were not verified at this time, but will be verified in the next examination.

# DODGE COUNTY COURT

## COMMENTS AND RECOMMENDATIONS

### 1. Segregation of Duties

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include proper segregation of duties so no one individual is capable of handling all phases of a transaction from beginning to end.

We noted the office of the County Court had a lack of segregation of duties as one person was capable of handling all aspects of processing transactions from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, an adequate segregation of duties is not possible without additional cost. Further, personnel are under the direction of both the Nebraska State Court Administrator and the Presiding Judge. We have noted this comment in previous examinations.

We recommend the County Court and the Nebraska State Court Administrator review this situation. As always, the cost of hiring additional personnel versus the benefit of a proper segregation of duties must be weighed.

*County Court's Response: My only comment to the audit would be that in both instances additional personnel would be required.*

### 2. Recording of Court Orders/Citations

Sound accounting practices and good internal control require County Courts to have adequate procedures in place to ensure the complete, accurate, and timely recording of all citations and/or court orders into the JUSTICE system, the computerized accounting and case management system of the County Court.

In one of fifteen case files tested, the County Court failed to enter \$498 in restitution into the JUSTICE system; restitution which had been ordered by the County Court Judge as part of a criminal defendant's sentencing.

When all citations and/or court orders are not completely, accurately, and timely entered into the JUSTICE system, there is an increased risk court ordered judgments may not be collected by the County Court.

We recommend the County Court implement procedures to ensure the complete, accurate, and timely entry of all citations and/or court orders into the JUSTICE system.

*County Court's Response: My only comment to the audit would be that in both instances additional personnel would be required.*



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### DODGE COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of Dodge County Court as of and for the fiscal years ended June 30, 2011, and June 30, 2010. The County Court's management is responsible for the Schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Schedules referred to above present, in all material respects, the assets and liabilities arising from cash transactions of the Agency Funds of Dodge County Court as of June 30, 2011, and June 30, 2010, and the related activity for the fiscal years then ended, based on the accounting system and procedures prescribed by the Nebraska Supreme Court as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Schedules and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We performed our examination to express an opinion on whether the Schedules are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedules or on compliance and other matters; accordingly we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards* and the finding, along with the views of management, is described in the Comments Section of the report.

This report is intended solely for the information and use of management, the Supreme Court, others within the County Court, and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Signed Original on File

March 16, 2012

Deann Haeffner, CPA  
Assistant Deputy Auditor

**DODGE COUNTY COURT**  
**FREMONT, NEBRASKA**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**

For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>ASSETS</b>				
Cash and Deposits	\$ 216,523	\$ 1,519,479	\$ 1,531,797	\$ 204,205
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 14,667	\$ 191,305	\$ 190,258	\$ 15,714
Law Enforcement Fees	1,256	18,396	18,205	1,447
State Judges Retirement Fund	4,896	63,801	63,486	5,211
Court Administrative Fees	10,722	145,513	145,592	10,643
Legal Services Fees	5,234	67,583	67,370	5,447
Due to County Treasurer:				
Regular Fines	29,735	437,022	430,301	36,456
Overload Fines	2,648	55,894	56,142	2,400
Regular Fees	5,950	48,429	50,966	3,413
Due to Municipalities:				
Regular Fines	499	10,836	10,250	1,085
Regular Fees	-	275	225	50
Trust Fund Payable	<u>140,916</u>	<u>480,425</u>	<u>499,002</u>	<u>122,339</u>
Total Liabilities	<u>\$ 216,523</u>	<u>\$ 1,519,479</u>	<u>\$ 1,531,797</u>	<u>\$ 204,205</u>

The accompanying notes are an integral part of the schedule.

**DODGE COUNTY COURT**  
**FREMONT, NEBRASKA**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**

For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>ASSETS</b>				
Cash and Deposits	\$ 508,771	\$ 1,251,762	\$ 1,544,010	\$ 216,523
 <b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 19,711	\$ 191,471	\$ 196,515	\$ 14,667
Law Enforcement Fees	1,314	15,943	16,001	1,256
State Judges Retirement Fund	5,966	63,742	64,812	4,896
Court Administrative Fees	12,610	139,049	140,937	10,722
Legal Services Fees	6,974	68,578	70,318	5,234
 Due to County Treasurer:				
Regular Fines	40,608	435,680	446,553	29,735
Overload Fines	3,375	47,252	47,979	2,648
Regular Fees	476	50,228	44,754	5,950
 Due to Municipalities:				
Regular Fines	780	6,524	6,805	499
Regular Fees	150	700	850	-
Trust Fund Payable	416,807	232,595	508,486	140,916
Total Liabilities	\$ 508,771	\$ 1,251,762	\$ 1,544,010	\$ 216,523

The accompanying notes are an integral part of the schedule.



**DODGE COUNTY COURT**  
**NOTES TO FINANCIAL SCHEDULES**  
For the Fiscal Years Ended June 30, 2011, and June 30, 2010

**1. Criteria**

**A. Reporting Entity**

The Dodge County Court is established by State statute and is administratively operated through the Court Administrator's Office of the Nebraska Supreme Court, which is part of the State of Nebraska reporting entity. The Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the County Court reflect only the Agency Funds activity of the County Court; the receipts, and their subsequent disbursement to the appropriate entities for which they were collected. The Schedules do not reflect the personal services expenses of the County Court, which are paid by the Nebraska Supreme Court, or the operating expenses, which are paid by Dodge County.

**B. Basis of Accounting**

The accounting records of the County Court Agency Funds are maintained, and the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions have been prepared, based on the accounting system and procedures prescribed by the Nebraska Supreme Court. Under this system of accounting, fines, fees, and receipts relating to trust funds are shown as additions to assets and as an increase in the related liability when received. Likewise, disbursements are shown as deductions to assets and a decrease in the related liability when a check is written.

**2. Deposits and Investments**

Funds held by the County Court are deposited and invested in accordance with rules issued by the Supreme Court as directed by Neb. Rev. Stat. § 25-2713 (Reissue 2008). Funds are generally consolidated in an interest-bearing checking account; however, the County Court may order certain trust funds to be invested separately. Any deposits in excess of the amount insured by the Federal Deposit Insurance Corporation are required by Neb. Rev. Stat. § 77-2326.04 (Reissue 2009) to be secured either by a surety bond or as provided in the Public Funds Deposit Security Act.