

**ATTESTATION REPORT  
OF  
GARFIELD COUNTY COURT**

**JANUARY 1, 2017, THROUGH DECEMBER 31, 2018**

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**Issued on May 15, 2019**

# GARFIELD COUNTY COURT

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# GARFIELD COUNTY COURT

## SUMMARY OF COMMENTS

During our examination of the Garfield County Court, we noted certain deficiencies and other operational matters that are presented here. The following comment is required to be reported in accordance with *Government Auditing Standards*: Comment #1, "Segregation of Duties," which is considered to be a material weakness.

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

- 1. *Segregation of Duties:*** One individual was capable of handling all phases of a transaction from beginning to end.
- 2. *Monthly Case Balance Report Review:*** The Monthly Case Balance Report was not reviewed, with corrective action taken, when necessary, to resolve any issues noted.

More detailed information on the above items is provided hereinafter. It should be noted 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 management an opportunity to review the report and to respond to the comments and recommendations included in this report. The 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 they will be verified in the next examination.

# GARFIELD COUNTY COURT

## COMMENTS AND RECOMMENDATIONS

### 1. Segregation of Duties

We noted that the office of the County Court lacked a sufficient 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 may not be possible without additional cost. Further, personnel are under the direction of both the Nebraska State Court Administrator and the Presiding Judge. We have included this comment in previous examinations.

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

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.

*Clerk Magistrate's Response: As a Clerk Magistrate, I make every effort to maintain the highest level of financial responsibility possible. Garfield County is small in size as well as caseload, but I feel the same level of professional integrity is maintained throughout every aspect of this Court.*

### 2. Monthly Case Balance Report Review

The Monthly Case Balance Report was not reviewed regularly, resulting in concerns regarding the management of certain case balances. During the audit, the following was noted:

- One traffic case balance held, totaling \$125, was not refunded in a timely manner. The case was closed on August 15, 2017, but the refund check was not issued until April 8, 2019.
- One probate case balance held, totaling \$21, was not refunded in a timely manner. The case was closed on December 29, 2015, but the refund check was not issued until August 23, 2018.
- One additional probate case balance held, totaling \$6, was not refunded in a timely manner. The case was closed on January 11, 2019, but the refund check was not issued until April 8, 2019.

Good internal control requires procedures for an ongoing, detailed review of the County Court's monthly financial reports, including the Monthly Case Balance Report.

Without such procedures, there is an increased risk of errors, omissions, and/or irregularities not being detected and resolved in a timely manner.

We recommend the County Court implement procedures for an ongoing, detailed review of all monthly financial reports, including the Monthly Case Balance Report, and resolve any unattached and/or unusual balances in a complete, accurate, and timely manner.

GARFIELD COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Concluded)

2. **Monthly Case Balance Report Review** (Concluded)

*Clerk Magistrate's Response: One notation was a citation overpayment and I thought the overpayment had been returned to the defendant. The other two were for Probate cases which, according to the attorneys involved, still had pending activity. Funds are not returned until cases are complete.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### GARFIELD COUNTY COURT

#### INDEPENDENT ACCOUNTANT'S REPORT

Garfield County Court  
Burwell, Nebraska 68823

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Garfield County Court as of and for the calendar years ending December 31, 2017, and December 31, 2018. The County Court's management is responsible for the Schedules based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedules 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. Those standards require that we perform the examination to obtain reasonable assurance about whether the Schedules are based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions for the calendar years ending December 31, 2017, and December 31, 2018, are based on the accounting system and procedures prescribed by the Nebraska Supreme Court, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter or an assertion about the subject matter of the examination engagement. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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 that finding, along with the views of management, is described in the Comments Section of the report.

The purpose of this report is to express an opinion on the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read "C. Janssen", with a long horizontal flourish extending to the right.

May 13, 2019

Charlie Janssen  
Auditor of Public Accounts  
Lincoln, Nebraska

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

For the Calendar Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<b>ASSETS</b>				
Cash and Deposits	\$ 9,057	\$ 56,547	\$ 51,302	\$ 14,302
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 347	\$ 7,554	\$ 7,884	\$ 17
Law Enforcement Fees	39	624	642	21
State Judges Retirement Fund	186	3,337	3,359	164
Court Administrative Fees	155	3,906	3,945	116
Legal Services Fees	160	2,584	2,627	117
Due to County Treasurer:				
Regular Fines	850	13,184	13,709	325
Overload Fines	-	-	-	-
Regular Fees	-	984	901	83
Petty Cash Fund	100	-	-	100
Due to Municipalities:				
Regular Fines	35	256	291	-
Trust Fund Payable	7,185	24,118	17,944	13,359
<b>Total Liabilities</b>	<b>\$ 9,057</b>	<b>\$ 56,547</b>	<b>\$ 51,302</b>	<b>\$ 14,302</b>

The accompanying notes are an integral part of the schedule.

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

For the Calendar Year Ended December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
<b>ASSETS</b>				
Cash and Deposits	\$ 8,869	\$ 76,423	\$ 76,235	\$ 9,057
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 541	\$ 9,675	\$ 9,869	\$ 347
Law Enforcement Fees	84	913	958	39
State Judges Retirement Fund	332	3,982	4,128	186
Court Administrative Fees	558	4,676	5,079	155
Legal Services Fees	280	3,533	3,653	160
Due to County Treasurer:				
Regular Fines	2,783	17,662	19,595	850
Overload Fines	-	1,700	1,700	-
Regular Fees	36	849	885	-
Petty Cash Fund	100	-	-	100
Due to Municipalities:				
Regular Fines	10	600	575	35
Trust Fund Payable	4,145	32,833	29,793	7,185
<b>Total Liabilities</b>	<b>\$ 8,869</b>	<b>\$ 76,423</b>	<b>\$ 76,235</b>	<b>\$ 9,057</b>

The accompanying notes are an integral part of the schedule.

**GARFIELD COUNTY COURT**  
**NOTES TO FINANCIAL SCHEDULES**

For the Calendar Years Ending December 31, 2017, and December 31, 2018

**1. Criteria**

**A. Reporting Entity**

The Garfield 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, including 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 Garfield 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 or collected. Likewise, disbursements are shown as deductions to assets and as 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 2016). 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 2018) to be secured either by a surety bond or as provided in the Public Funds Deposit Security Act.