

**ATTESTATION REPORT
OF
GARDEN COUNTY COURT**

JANUARY 1, 2018, THROUGH DECEMBER 31, 2019

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Issued on March 30, 2020

GARDEN COUNTY COURT

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GARDEN COUNTY COURT

SUMMARY OF COMMENTS

During our examination of the Garden County Court, we noted certain deficiencies and other operational matters that are presented here. The following comments are required to be reported in accordance with *Government Auditing Standards*: Comment #2, "Overdue Balances," which is considered to be a significant deficiency, and 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. ***Overdue Balances:*** The County Court did not review its overdue balances on an ongoing, timely basis to ensure collection and/or resolution of such balances.

More detailed information on the above items is provided hereinafter. 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 management with 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 they will be verified in the next examination.

GARDEN COUNTY COURT

COMMENTS AND RECOMMENDATIONS

1. Segregation of Duties

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 noted that the office of the County Court lacked a sufficient segregation of duties. Specifically, 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.

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: The Garden County Court office is staffed by one person. That being myself. When the need arises for vacation or sick days it is most generally covered by one of three Cheyenne County Clerks and this has worked quite well. I do not foresee anything changing to alleviate this issue.

2. Overdue Balances

Good internal control and sound business practices require overdue balances of the County Court to be reviewed on an ongoing, timely basis, through a periodic examination of the Overdue Case Account reports, to determine what action should be taken to collect and/or resolve those balances.

During testing of five overdue balances, we noted that all five balances, totaling \$1,043, did not have subsequent action taken by the County Court, such as the issuance of warrants and/or suspensions or declaration of certain overdue balances as uncollectible, to ensure the timely collection and/or resolution of the balances. For two balances, the last activity was performed in February 2019. The remaining three balances should have been waived in the system, according to the court orders. As of March 7, 2020, overdue balances, excluding restitution judgments, totaled \$11,758.

Without a regular review of overdue case balances, there is an increased risk that such balances may either not have proper follow-up action taken or have been resolved already and should no longer be designated as overdue.

We recommend the County Court implement an ongoing, timely review of its Overdue Case Account reports to ensure timely collection and/or resolution of overdue balances.

Clerk Magistrate's Response: These are generally looked at throughout the month. I have already taken corrective measures to ensure that there is a resolution to the existing balances. I intend to allow for more time in the future so that they do not get neglected or put off.



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GARDEN COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

Garden County Court
Oshkosh, Nebraska 69154

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Garden County Court as of and for the calendar years ending December 31, 2018, and December 31, 2019. 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, 2018, and December 31, 2019, 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 Schedule 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 certain findings that are required to be reported under *Government Auditing Standards*, and those findings, along with the views of management, are described in the Comments Section of the report.

The purpose of this report is to express an opinion on the Schedule 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. J. Janssen", with a long horizontal flourish extending to the right.

March 26, 2020

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

GARDEN COUNTY COURT
OSHKOSH, NEBRASKA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS

For the Calendar Year Ended December 31, 2019

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
ASSETS				
Cash and Deposits	\$ 8,073	\$ 90,576	\$ 87,875	\$ 10,774
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 772	\$ 14,613	\$ 12,771	\$ 2,614
Law Enforcement Fees	64	864	836	92
State Judges Retirement Fund	356	4,493	4,421	428
Court Administrative Fees	567	5,008	4,814	761
Legal Services Fees	288	3,566	3,493	361
Due to County Treasurer:				
Regular Fines	1,359	21,257	19,853	2,763
Regular Fees	22	707	646	83
Petty Cash Fund	25	-	-	25
Trust Fund Payable	4,620	40,068	41,041	3,647
Total Liabilities	\$ 8,073	\$ 90,576	\$ 87,875	\$ 10,774

The accompanying notes are an integral part of the schedule.

GARDEN COUNTY COURT
 OSHKOSH, 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
ASSETS				
Cash and Deposits	\$ 8,045	\$ 67,810	\$ 67,782	\$ 8,073
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 2,075	\$ 9,877	\$ 11,180	\$ 772
Law Enforcement Fees	78	1,243	1,257	64
State Judges Retirement Fund	368	5,779	5,791	356
Court Administrative Fees	439	5,572	5,444	567
Legal Services Fees	301	4,707	4,720	288
Due to County Treasurer:				
Regular Fines	2,804	31,128	32,573	1,359
Overload Fines	325	225	550	-
Regular Fees	106	694	778	22
Petty Cash Fund	25	-	-	25
Municipality Fines	-	25	25	-
Trust Fund Payable	1,524	8,560	5,464	4,620
Total Liabilities	\$ 8,045	\$ 67,810	\$ 67,782	\$ 8,073

The accompanying notes are an integral part of the schedule.

GARDEN COUNTY COURT
NOTES TO FINANCIAL SCHEDULES

For the Calendar Years Ending December 31, 2018, and December 31, 2019

1. Criteria

A. Reporting Entity

The Garden 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 Garden 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.