

**ATTESTATION REPORT
OF
PLATTE COUNTY COURT**

JANUARY 1, 2019, THROUGH DECEMBER 31, 2020

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Issued on April 5, 2021

PLATTE COUNTY COURT

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PLATTE COUNTY COURT

COMMENT AND RECOMMENDATION

During our examination of the Platte County Court, we noted a certain deficiency and other operational matters that are presented here. The following comment is required to be reported in accordance with *Government Auditing Standards* and is considered to be a material weakness.

This comment and recommendation is intended to improve the internal control over financial reporting or result in operational efficiencies in the following area:

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.

The County Court's system lacks an adequate segregation of duties. Therefore, employees with system access are able to perform all procedures without a secondary individual being required to approve those transactions. Additionally, 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. In an attempt to address the concern, the County Court established compensating procedures to segregate duties between staff; however, two individuals were still able to perform all procedures of the County Court.

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 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: I strongly believe that we do have segregation of duties in our office. No employee handles all phases of a transaction from beginning to end. The "deposit" is prepared by one of two employees, both never write a check or balance the end of month bank reconciliation. Two other staff will write a check but cannot sign the check and they prepare the bank reconciliation, but never make a deposit.

I never receipt any money and I review and verify all "voids" or "non-monetary" receipts. This is done daily or at the minimum, weekly. The INQCTRD screen is also checked weekly to address any issues. The same would apply to voided checks, only one staff person can void, but all these must go through me and I sign off on them. Verifying all instances through not only oversight of the checkbook but the INQCTRD screen.

We have taken numerous steps to insure a solid check and balance system within our office. I am confident in the protocols we have in place to operate in a safe and appropriate manner."

APA Response: As noted above, the compensating controls established by the County Court were not sufficient to establish an adequate segregation of duties as the procedures would not have prevented certain individuals from performing all phases of a transaction from beginning to end. When an individual has full access to perform all phases of a transaction, review reports, and perform the bank reconciliations without documented secondary reviews, there is an increased risk for errors or irregularities to occur and go undetected.

It should be noted this report is critical in nature, as it contains only our comment and recommendation on the area 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 comment and recommendation included in this report. The formal response received has been incorporated into this report. The response has been objectively evaluated and recognized, as appropriate, in the report. A response that indicates corrective action has been taken was not verified at this time, but it will be verified in the next examination.



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PLATTE COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

Platte County Court
Columbus, Nebraska 68601

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Columbus County Court as of and for the calendar years ending December 31, 2019, and December 31, 2020. 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, 2019, and December 31, 2020, 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 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 Comment 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. Janssen", with a long horizontal flourish extending to the right.

April 1, 2021

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

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

For the Calendar Year Ended December 31, 2020

	Balance January 1, 2020	Additions	Deductions	Balance December 31, 2020
ASSETS				
Cash and Deposits	\$ 120,871	\$ 869,774	\$ 844,976	\$ 145,669
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 7,798	\$ 92,971	\$ 89,101	\$ 11,668
Law Enforcement Fees	715	7,604	7,682	637
State Judges Retirement Fund	3,798	39,771	40,089	3,480
Court Administrative Fees	5,126	63,539	63,538	5,127
Legal Services Fees	2,918	31,878	32,096	2,700
Due to County Treasurer:				
Regular Fines	14,374	213,899	208,632	19,641
Overload Fines	-	925	925	-
Regular Fees	2,548	23,019	24,024	1,543
Petty Cash Fund	200	-	-	200
Municipality Fines	659	6,493	6,557	595
Due to Municipalities:				
Regular Fees	75	-	75	-
Trust Fund Payable	82,660	389,675	372,257	100,078
Total Liabilities	\$ 120,871	\$ 869,774	\$ 844,976	\$ 145,669

The accompanying notes are an integral part of the schedule.

PLATTE COUNTY COURT
COLUMBUS, 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	\$ 109,362	\$ 858,205	\$ 846,696	\$ 120,871
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 7,008	\$ 101,569	\$ 100,779	\$ 7,798
Law Enforcement Fees	560	8,301	8,146	715
State Judges Retirement Fund	2,882	45,740	44,824	3,798
Court Administrative Fees	3,901	66,013	64,788	5,126
Legal Services Fees	2,354	36,436	35,872	2,918
Due to County Treasurer:				
Regular Fines	13,006	174,164	172,796	14,374
Overload Fines	975	2,075	3,050	-
Regular Fees	765	41,377	39,594	2,548
Petty Cash Fund	200	-	-	200
Municipality Fines	1,408	15,317	16,066	659
Due to Municipalities:				
Regular Fees	241	2,143	2,309	75
Trust Fund Payable	76,062	365,070	358,472	82,660
Total Liabilities	\$ 109,362	\$ 858,205	\$ 846,696	\$ 120,871

The accompanying notes are an integral part of the schedule.

PLATTE COUNTY COURT
NOTES TO FINANCIAL SCHEDULES

For the Calendar Years Ending December 31, 2019, and December 31, 2020

1. Criteria

A. Reporting Entity

The Platte 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 Platte 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.