

**ATTESTATION REPORT
OF
GARDEN COUNTY COURT**

JANUARY 1, 2020, THROUGH DECEMBER 31, 2021

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Issued on June 29, 2022

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Audit Staff Working On This Examination

Kris Kucera, CPA, CFE – Assistant Deputy Auditor

Rachel Wittler, CPA, CFE – Audit Manager

Alex List – Auditor-In-Charge

Kyle Hanna – Auditor

Our reports can be found electronically at: auditors.nebraska.gov

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Nebraska Auditor of Public Accounts

State Capitol, Suite 2303

P.O. Box 98917

Lincoln, Nebraska 68509

Phone: 402-471-2111

GARDEN COUNTY COURT

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GARDEN COUNTY COURT

COMMENT AND RECOMMENDATION

During our examination of the Garden 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.

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. Additionally, staff could create and issue orders affixed with the Judge's signature in the JUSTICE (Judicial User System to Improve Court Efficiency) application without formal documentation to support that the Judge approved the order. That same staff had access to court receipts and were able to record non-monetary transactions (e.g., waiving fines) in JUSTICE. We further noted that County Court access had also been given to one Clerk Magistrate within the district who was not an employee of the County Court.

Additionally, the following errors were noted:

- For one juvenile case tested, the County Court did not claim or waive remaining costs on the case, totaling \$57, after the jurisdiction was terminated in May 2019. After inquiry, the County Court waived \$29 of the remaining fees in April 2022. The remaining \$28 of fees was still noted as outstanding.
- For two non-monetary receipts tested, totaling \$133, the County Court did not have documentation on file to support the waiver of those fees due.

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. We also recommend the Supreme Court implement procedures to ensure that each Judge's approval of orders is formally documented.

County Court's Response: The first deficiency noted was Segregation of Duties. This will continue to be problematic since Garden County is only staffed by one person. However, since the recent passing of Clerk Magistrate Lori Bartling, Judge Roland has empowered Joan Hansen, Michele Woods and Chelsie Sparks to perform their Clerk Magistrate duties in Garden County should the need arise. I foresee this action as being a positive one, enabling others to share activities that were only performed by myself or those records clerks covering in my absence.

The second deficiency noted was a failure to waive fees on a juvenile case. Since June 19, 2019 Garden County has had a standing order to waive and claim costs if the parents were not ordered to pay. This was an oversight on my part. Paying better attention to the reports would have prevented this. The remaining balance of \$27.00 has been waived now.

GARDEN COUNTY COURT

COMMENT AND RECOMMENDATION

(Concluded)

The third and final deficiency was in regard to poor documentation to support the waiver of fees that had been given a non-monetary receipt. In going forward better documentation along with a judge's order will be implemented.

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.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

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, 2020, and December 31, 2021. The County Court's management is responsible for the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions 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 plan and perform the examination to obtain reasonable assurance about whether the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions 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 of Changes in Assets and Liabilities Arising from Cash Transactions, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions for the calendar years ending December 31, 2020, and December 31, 2021, 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; noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions; fraud that is material, either quantitatively or qualitatively, to 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. 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 of Changes in Assets and Liabilities Arising from Cash Transactions 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 of Changes in Assets and Liabilities Arising from Cash Transactions 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 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. J. Janssen", with a long horizontal flourish extending to the right.

June 22, 2022

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

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

For the Calendar Year Ended December 31, 2021

	Balance January 1, 2021	Additions	Deductions	Balance December 31, 2021
ASSETS				
Cash and Deposits	\$ 14,052	\$ 104,291	\$ 91,492	\$ 26,851
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 10,201	\$ 23,502	\$ 22,411	\$ 11,292
Law Enforcement Fees	23	865	827	61
State Judges Retirement Fund	134	4,365	4,135	364
Court Administrative Fees	181	5,363	5,161	383
Legal Services Fees	104	3,250	3,123	231
Due to County Treasurer:				
Regular Fines	251	26,688	25,220	1,719
Overload Fines	-	150	150	-
Regular Fees	-	1,013	1,013	-
Petty Cash Fund	25	-	-	25
Trust Fund Payable	3,133	39,095	29,452	12,776
Total Liabilities	\$ 14,052	\$ 104,291	\$ 91,492	\$ 26,851

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
CUSTODIAL FUNDS

For the Calendar Year Ended December 31, 2020

	Balance January 1, 2020	Additions	Deductions	Balance December 31, 2020
ASSETS				
Cash and Deposits	\$ 10,774	\$ 51,753	\$ 48,475	\$ 14,052
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 2,614	\$ 14,901	\$ 7,314	\$ 10,201
Law Enforcement Fees	92	583	652	23
State Judges Retirement Fund	428	3,024	3,318	134
Court Administrative Fees	761	2,848	3,428	181
Legal Services Fees	361	2,484	2,741	104
Due to County Treasurer:				
Regular Fines	2,763	13,613	16,125	251
Overload Fines	-	-	-	-
Regular Fees	83	354	437	-
Petty Cash Fund	25	-	-	25
Trust Fund Payable	3,647	13,946	14,460	3,133
Total Liabilities	\$ 10,774	\$ 51,753	\$ 48,475	\$ 14,052

The accompanying notes are an integral part of the schedule.

GARDEN COUNTY COURT
NOTES TO FINANCIAL SCHEDULES

For the Calendar Years Ending December 31, 2020, and December 31, 2021

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 Custodial 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 Custodial 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.