

**ATTESTATION REPORT  
OF  
NEMAHA COUNTY COURT**

**JANUARY 1, 2020, THROUGH DECEMBER 31, 2021**

**This document is an official public record of the State of Nebraska, issued by  
the Auditor of Public Accounts.**

**Modification of this document may change the accuracy of the original  
document and may be prohibited by law.**

**Issued on July 27, 2022**

*The **Nebraska Auditor of Public Accounts Office** was created by the first territorial Legislature in 1855. The Auditor was the general accountant and revenue officer of the territory. Those duties have expanded and evolved over the decades, as modern accounting theory has been implemented. The office of the Auditor of Public Accounts is one of six offices making up the executive branch of Nebraska State Government. Charlie Janssen was elected in November 2014 and re-elected in November 2018, as the Nebraska Auditor of Public Accounts. He was sworn into office on January 8, 2015, as Nebraska's 25th State Auditor.*

*The mission of the Nebraska Auditor of Public Accounts' office is to provide independent, accurate, and timely audits, reviews, or investigations of the financial operations of Nebraska State and local governments.*

*We will provide this information, as required by statute, to all policymakers and taxpayers through written reports and our Internet-based Budget and Audit databases.*

*We will maintain a professionally prepared staff, utilizing up-to-date technology, and following current Government Auditing Standards.*

## **Audit Staff Working On This Examination**

Kris Kucera, CPA, CFE – Assistant Deputy Auditor  
Rachel Wittler, CPA, CFE – Audit Manager  
Adam Hohensee – Auditor II

Our reports can be found electronically at: [auditors.nebraska.gov](http://auditors.nebraska.gov)

Additionally, you may request them by contacting us at:

**Nebraska Auditor of Public Accounts**  
State Capitol, Suite 2303  
P.O. Box 98917  
Lincoln, Nebraska 68509  
Phone: 402-471-2111

NEMAHA COUNTY COURT

TABLE OF CONTENTS

	<u>Page</u>
<b><u>Comments Section</u></b>	
Summary of Comments	1
Comments and Recommendations	2 - 3
<b><u>Financial Section</u></b>	
Independent Accountant's Report	4 - 5
Financial Schedules:	
Schedule of Changes in Assets and Liabilities Arising from Cash Transactions - Custodial Funds - For the Calendar Year Ended December 31, 2021	6
Schedule of Changes in Assets and Liabilities Arising from Cash Transactions - Custodial Funds - For the Calendar Year Ended December 31, 2020	7
Notes to Financial Schedules	8

NEMAHA COUNTY COURT

**SUMMARY OF COMMENTS**

During our examination of the Nemaha 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 Report Review:*** The Monthly Case Balance Report and Non-Case Receipts Report were not reviewed timely to ensure balances were correct and current, and receipts were applied timely.

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.

NEMAHA 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, 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 two other Clerk Magistrates within the district who were not employees of the County Court.

Additionally, we noted that the County Court did not have documentation on file to support the waiver of costs due for two non-monetary receipts tested, totaling \$4,185.

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: With only two of us in the office this is difficult to do.*

**2. Monthly Report Review**

During review of the Monthly Case Balance Report, we noted the following:

- One case had a \$675 bond that should have been refunded in October 2020 but was not paid out until March 2021.
- One case balance of \$76 was applied to unclaimed property when it should have been applied instead to fines outstanding. Additionally, the defendant still owes \$49, which has not been followed up on.
- One case had a \$51 overpayment received in November 2020, but it was not refunded until March 2021.
- One case balance of \$40 was ordered to be applied to amounts due in October 2021, but it was not applied until January 2022.
- One case balance of \$17 was received in September 2020 but was not applied to fees until March 2021.

During review of the Non-Case Receipt Report, we noted the following:

- One non-case receipt, totaling \$900, was received in August 2020, but the balance was not applied to a case until April 2021, eight months later.

NEMAHA COUNTY COURT

**COMMENTS AND RECOMMENDATIONS**

(Concluded)

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

- One non-case receipt, totaling \$450, was received in October 2021. As of fieldwork in June 2022, or nine months later, the receipt had not been applied because a case was still pending to be filed.

Good internal controls require procedures to ensure that the County Court performs a timely, detailed review of both the Monthly Case Balance Report and the Non-Case Receipt Report, taking action to resolve the balances listed in the former and, when possible, to apply the receipts in the latter.

Without such procedures, there is an increased risk that funds received by the County Court will not be paid to the appropriate recipients in a timely manner, or cases will incorrectly display overdue balances.

We recommend the implementation of procedures to ensure the County Court performs a timely, detailed review of both the Monthly Case Balance Report and the Non-Case Receipt Report, taking action to resolve the balances listed in the former and, when possible, to apply the receipts in the latter.

*County Court's Response: We will try to review in a more timely manner. Most of what you found was done during the training of a new employee.*



# 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

NEMAHA COUNTY COURT

## INDEPENDENT ACCOUNTANT'S REPORT

Nemaha County Court  
Auburn, Nebraska 68305

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Nemaha 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 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. J. Janssen", with a long horizontal flourish extending to the right.

July 15, 2022

Charlie Janssen  
Auditor of Public Accounts  
Lincoln, Nebraska



NEMAHA COUNTY COURT  
AUBURN, 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
<b>ASSETS</b>				
Cash and Deposits	\$ 30,316	\$ 239,986	\$ 249,888	\$ 20,414
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 1,475	\$ 19,500	\$ 19,878	\$ 1,097
Law Enforcement Fees	185	2,215	2,241	159
State Judges Retirement Fund	844	11,718	11,600	962
Court Administrative Fees	848	15,416	15,237	1,027
Legal Services Fees	698	8,986	9,044	640
Due to County Treasurer:				
Regular Fines	3,667	59,588	60,158	3,097
Overload Fines	-	550	550	-
Regular Fees	509	6,762	6,893	378
Petty Cash Fund	200	-	-	200
Municipality Fines	85	-	85	-
Trust Fund Payable	21,805	115,251	124,202	12,854
Total Liabilities	\$ 30,316	\$ 239,986	\$ 249,888	\$ 20,414

The accompanying notes are an integral part of the schedule.

NEMAHA COUNTY COURT  
AUBURN, 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
<b>ASSETS</b>				
Cash and Deposits	\$ 31,071	\$ 243,579	\$ 244,334	\$ 30,316
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 2,027	\$ 23,757	\$ 24,309	\$ 1,475
Law Enforcement Fees	198	2,086	2,099	185
State Judges Retirement Fund	971	10,116	10,243	844
Court Administrative Fees	1,226	14,784	15,162	848
Legal Services Fees	806	8,319	8,427	698
Due to County Treasurer:				
Regular Fines	4,016	63,550	63,899	3,667
Overload Fines	150	6,675	6,825	-
Regular Fees	46	6,059	5,596	509
Petty Cash Fund	200	-	-	200
Municipality Fines	25	85	25	85
Trust Fund Payable	21,406	108,148	107,749	21,805
Total Liabilities	\$ 31,071	\$ 243,579	\$ 244,334	\$ 30,316

The accompanying notes are an integral part of the schedule.

NEMAHA COUNTY COURT  
**NOTES TO FINANCIAL SCHEDULES**

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

**1. Criteria**

**A. Reporting Entity**

The Nemaha 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 Nemaha 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.