

**ATTESTATION REPORT
OF
PLATTE COUNTY COURT**

JANUARY 1, 2021, THROUGH DECEMBER 31, 2022

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Issued on June 21, 2023

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PLATTE COUNTY COURT

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PLATTE COUNTY COURT

SUMMARY OF COMMENTS

During our examination of the Platte 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 #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 Balances:*** The County Court did not review its trust balances on an ongoing, timely basis to ensure resolution of such balances.
3. ***Unsupported Waiver of Fees:*** The County Court did not have adequate documentation on file to support the waiver of court costs and fees.

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. The County Court declined to respond.

PLATTE 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.

The following errors were noted:

- Judge Frank Skorupa was an authorized signer on the County Court's bank account as of December 31, 2022; however, the Judge had previously retired on April 30, 2022.
- One voided check tested, totaling \$19,122, issued to the Platte County Treasurer was not on file for review.

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 further recommend the County Court implement procedures to ensure all authorized signers are employees of the Court, and individuals are removed immediately upon termination. Lastly, we recommend the County Court implement procedures to ensure voided checks are maintained on file.

2. Monthly Case Balances

During testing, we noted that the County Court did not take sufficient action, including a review of the Monthly Case Balance Report, to ensure the proper resolution of three trust balances held, totaling \$6,817.

- For two traffic cases tested, the County Court failed to enter all amounts due on the cases, resulting in refunds made in error. For one case, the defendant paid the amount ordered; however, the reimbursement of non-waiverable fees, totaling \$17, was not entered into the case. This reimbursement was sent to Unclaimed Property in error. For the remaining case, the defendant paid the amount ordered; however, one fine, totaling \$50, was not entered into the case. An attempt was made, in error, to refund the fine amount to the defendant.
- For one criminal case tested, the bond held, totaling \$6,750, was ordered applied to fines and costs; however, the bond was applied only to a portion of the costs, leaving \$162 still owed on the case. No bond assignment or other information was on file to support the application of the bond to a portion of the costs instead of to the full amount of costs owed.

Good internal control and sound business practice require procedures for reviewing the Monthly Case Balance Report on an ongoing, timely basis to ensure that the balances listed therein are appropriate and paid to the correct parties.

PLATTE COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Concluded)

2. Monthly Case Balances (Concluded)

Without a regular review of balances held, there is an increased risk of such balances having been either refunded already or applied to fines and costs, meaning that they are being held inappropriately by the Court.

We recommend the County Court implement procedures for an ongoing, timely review of the Monthly Case Balance Report to ensure that the balances listed therein are appropriate and paid to the correct parties.

3. Unsupported Waiver of Fees

During testing, we noted that three non-monetary receipts issued, totaling \$99, did not have adequate supporting documentation on file, as follows:

- For one criminal case tested, the County Court issued a non-monetary receipt in April 2023, totaling \$32, for court costs; however, no documentation was on file to support the waiver of the fees at the time of the receipt. The County Court subsequently provided a copy of the defendant's obituary to support the waiver.
- For one traffic case tested, the County Court issued two non-monetary receipts in April 2023, totaling \$47, for court costs and State fines; however, no documentation was on file to support the waiver of the fees at the time of the receipts. The County Court subsequently voided these receipts.
- For one criminal case tested, the County Court issued two non-monetary receipts in April 2023, totaling \$620, for fines and court costs sat out in jail; however, documentation provided supported only the waiver of \$600 of those costs, resulting in \$20 waived that was not supported.

Good internal control and sound business practice require procedures to ensure that non-monetary receipts are issued only when adequate documentation is on file to support the waiver of any fines and costs owed.

Without such procedures, there is an increased risk of loss or misuse of funds.

We recommend the County Court implement procedures to ensure non-monetary receipts are issued only when adequate documentation is on file to support the waiver of any fines and costs owed.



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PLATTE COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

Platte County Court
Columbus, Nebraska 68602

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Platte County Court as of and for the calendar years ending December 31, 2021, and December 31, 2022. 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 ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

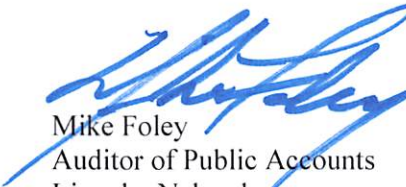
In our opinion, the Schedules of Changes in Assets and Liabilities Arising from Cash Transactions for the calendar years ending December 31, 2021, and December 31, 2022, are based on the accounting system and procedures prescribed by the Nebraska Supreme Court, as set forth in Note 1, in all material 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.

June 16, 2023



Mike Foley
Auditor of Public Accounts
Lincoln, Nebraska

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

For the Calendar Year Ended December 31, 2022

	Balance January 1, 2022	Additions	Deductions	Balance December 31, 2022
ASSETS				
Cash and Deposits	\$ 146,317	\$ 1,102,902	\$ 1,076,455	\$ 172,764
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 7,739	\$ 106,522	\$ 106,433	\$ 7,828
Law Enforcement Fees	690	8,437	8,473	654
State Judges Retirement Fund	4,297	52,629	52,897	4,029
Court Administrative Fees	6,134	69,543	70,337	5,340
Legal Services Fees	2,919	33,471	33,916	2,474
Due to County Treasurer:				
Regular Fines	17,405	248,065	247,279	18,191
Overload Fines	-	175	175	-
Regular Fees	7,540	39,059	43,864	2,735
Petty Cash Fund	200	-	-	200
Municipality Fines	239	8,815	8,540	514
Due to Municipalities:				
Regular Fees	-	3,108	3,075	33
Trust Fund Payable	99,154	533,078	501,466	130,766
Total Liabilities	\$ 146,317	\$ 1,102,902	\$ 1,076,455	\$ 172,764

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
CUSTODIAL FUNDS

For the Calendar Year Ended December 31, 2021

	Balance January 1, 2021	Additions	Deductions	Balance December 31, 2021
ASSETS				
Cash and Deposits	\$ 145,669	\$ 1,030,106	\$ 1,029,458	\$ 146,317
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 11,668	\$ 109,767	\$ 113,696	\$ 7,739
Law Enforcement Fees	637	7,628	7,575	690
State Judges Retirement Fund	3,480	43,958	43,141	4,297
Court Administrative Fees	5,127	65,506	64,499	6,134
Legal Services Fees	2,700	31,726	31,507	2,919
Due to County Treasurer:				
Regular Fines	19,641	224,813	227,049	17,405
Overload Fines	-	225	225	-
Regular Fees	1,543	28,987	22,990	7,540
Petty Cash Fund	200	-	-	200
Municipality Fines	595	7,580	7,936	239
Due to Municipalities:				
Regular Fees	-	4,400	4,400	-
Trust Fund Payable	100,078	505,516	506,440	99,154
Total Liabilities	\$ 145,669	\$ 1,030,106	\$ 1,029,458	\$ 146,317

The accompanying notes are an integral part of the schedule.

PLATTE COUNTY COURT
NOTES TO FINANCIAL SCHEDULES

For the Calendar Years Ending December 31, 2021, and December 31, 2022

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 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 Platte 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.