

**ATTESTATION REPORT
OF
DOUGLAS COUNTY COURT**

JANUARY 1, 2025, THROUGH DECEMBER 31, 2025

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DOUGLAS COUNTY COURT

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DOUGLAS COUNTY COURT

SUMMARY OF COMMENTS

During our examination of the Douglas County Court (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 (“Improper or Untimely Action”), 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:*** County Court staff were capable of handling all phases of a transaction from beginning to end.
2. ***Improper or Untimely Action:*** For 15 transactions tested, the County Court failed to address in a timely manner the balances held or due, maintain adequate supporting documentation, or act in accordance with relevant State statutes.

More detailed information on the above items is provided hereinafter. It should be noted that this report is critical in nature, containing only our comments and recommendations on the areas noted for improvement and does not include our observations of any strengths of the County Court.

Draft copies of this report were furnished to the County Court to provide management with an opportunity to review and to respond to the comments and recommendations contained herein. All formal responses received have been incorporated into this report. Responses have been objectively evaluated and recognized as appropriate in this report. Responses that indicate corrective action has been taken were not verified at this time, but they will be verified in the next examination.

DOUGLAS COUNTY COURT

COMMENTS AND RECOMMENDATIONS

1. Segregation of Duties

The Judicial User System to Improve Court Efficiency (JUSTICE) application is the Supreme Court's case and financial management system for Nebraska trial courts.

The office of the Douglas County Court (County Court) and the JUSTICE application lacked a sufficient segregation of duties, as one person could handle all aspects of processing transactions from beginning to end.

The JUSTICE system contains an inherent lack of segregation of duties within the "Administrator," "Supervisor," and "Financial" user classes. These user classes are able to complete, at least, the following tasks in JUSTICE: 1) issue, adjust, and void receipts, including non-monetary receipts; 2) issue, adjust, reprint, and void checks; 3) enter citations and court orders; 4) change the dates that checks clear the bank; 5) adjust funds from one account to another on a receipt; and 6) adjust funds from one account to another on a check. Staff assigned to these user roles also have physical access to the cash and checks in the office.

Furthermore, within JUSTICE is a module, DOCKET, used to issue court orders affixed with the Judge's signature. The "Judge Staff" role in JUSTICE granted users the ability to create and issue Judge-signed court orders through DOCKET and was assigned to 92 users of the County Court who were not Judges. As a result, these users were able to create and issue orders affixed with the Judge's signature without formal documentation to support the Judge's approval of the order.

We noted 23 users with the "Judge Staff" role of the County Court who also have access to court receipts, which would allow them to record non-monetary transactions (e.g., waiving fines) in JUSTICE. Access to both the Judge's signature and court receipts significantly increases the risk of improper transactions, as one individual would be able to collect cash, record a non-monetary receipt in the system, create an authorization signed by the Judge to waive the fee, and not deposit the cash. Of those 23 users, we noted that this access had been given also to four State employees who were not employees of the Supreme Court.

A proper system of internal control includes a plan of organization, procedures, and documentation designed to safeguard assets and provide reliable financial records. Such system of internal controls should include a proper segregation of duties, so no one individual is capable of handling all phases of a transaction from beginning to end. Further, a proper system of internal controls includes: 1) procedures to ensure system access is limited, being granted only to appropriate individuals, and documentation is properly approved and maintained for such access; and 2) court orders affixed with a Judge's signature by someone other than the Judge have formal documentation to support the Judge's approval of the order, and such documentation is maintained for subsequent 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 noted this issue 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. Where reasonably possible, the Nebraska State Court Administrator should work with the County Court to ensure adequate segregation of duties, as well as limit system access and ensure that such access is granted only to appropriate individuals. We also recommend the Nebraska State Court Administrator implement procedures to ensure that court orders affixed with a Judge's signature by someone other than the Judge have formal documentation to support the Judge's approval of the order, and such documentation is maintained for subsequent review.

DOUGLAS COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Continued)

1. **Segregation of Duties** (Concluded)

County Court's Response: Douglas County Court continues to appreciate the findings of the auditors. Safeguards and procedures are in place to discourage, detect and identify theft. In addition, the court has two outside financial analysts that review transactions. That said, the court will continue to strive to better the operations of the court, safeguarding the handling of funds entrusted to it.

2. **Improper or Untimely Action**

We tested 15 transactions, totaling \$2,988, that were not addressed in a timely manner, lacking adequate supporting documentation, or not handled in accordance with State statute, as follows:

- For six cases tested, the County Court failed to take timely action to address the balances held or due on the cases, as follows:
 - For three civil cases tested, the County Court failed to waive costs due, totaling \$650, despite a satisfaction of judgment having been filed in each case between June 2018 and August 2025.
 - For one criminal case tested, the County Court receipted \$354 in September 2025 in error due to the payee entering an incorrect citation number on the remittance of the payment; however, the error was not corrected by the County Court until February 2026 when a refund was issued.
 - For one traffic case tested, the County Court receipted \$123 in June 2023, which was the total amount due on the case; however, the defendant failed to sign a waiver and plea of guilty. The County Court has not taken further action to resolve this balance held.
 - For one criminal case tested, the defendant was sentenced in September 2021 to pay, amongst other fines and costs, \$60 in monthly probation testing fees, which were then ordered waived on the same day. The County Court not only erroneously assessed a total of \$120 due in monthly probation testing fees but also failed to waive the fees in compliance with the Court order until after inquiry in April 2026.
- One criminal case tested received a \$243 payment that was applied to fines and costs before restitution due in violation of Neb. Rev. Stat. § 29-2281(4) (Cum. Supp. 2024).
- For four criminal cases tested, the County Court received payment of the \$17 non-waiverable fees per case from either Douglas County or the City of Omaha; however, the reimbursements of these fees by the defendants were not entered into the system, causing the amounts due on the cases to be understated. In all four cases, the non-waiverable fees were received ranging from 15 months to 7 years prior to the sentencing of the defendants.
- For two criminal cases tested, the County Court did not have adequate documentation on file to support the waiver of fines and costs, as follows:
 - One receipt tested waived fines and costs due, totaling \$1,085, for time served in a work release program; however, no supporting documentation was on file to support such time served.
 - One receipt tested waived probation fees, totaling \$150, for time served in jail; however, no order was on file to waive such fees. Additionally, the defendant consented to applying a bond held to fines and costs in the case; however, the County Court failed to apply the bond to \$47 of non-waiverable costs and instead refunded the entire bond to the defendant.

DOUGLAS COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Continued)

2. **Improper or Untimely Action** (Continued)

- In December 2025, the County Court issued a refund to a defendant for a \$74 overpayment on a traffic case; however, the receipt was applied to the traffic case in error, and the defendant who received the refund was not the original payor of the funds.
- For one traffic case tested, the County Court staff improperly excluded one of the two violations noted on the citation when entering the case. The defendant made payments for both violations on the citation; however, due to the failure of the County Court to assess the charges properly on the case, a \$74 fine paid for the second violation was considered an overpayment, and the County Court attempted to refund it in March 2025.

Section 29-2281(4) states the following:

If, in addition to restitution, a defendant is ordered to pay fines and costs as part of the judgment and the defendant fails to pay the full amount owed, funds shall first be applied to a restitution obligation with the remainder applied towards fines and costs only when the restitution obligation is satisfied in full.

A proper system of internal control and sound accounting practices require procedures to ensure that proper action on balances held or due on cases is completed in a timely manner, adequately supported, and in compliance with a court order or relevant State statute.

Without such procedures, there is an increased risk of both noncompliance with State statute and loss or misuse of funds.

We recommend the County Court implemented procedures to ensure proper action on balances held or due on cases is completed in a timely manner, adequately documented, and in compliance with a court order or relevant State statute.

County Court's Response: The below responses correspond with each individual bullet above and are in the same order as the issues noted:

- *County Court embraces the observations and are committed to improving our position and processes. Due to our volume, there are many moving parts that involve communicating between many different people. We will strive to improve that communication and waive the fees in a timely manner.*
- *County Court generally waits sixty to ninety days before refunding a payment due to a citation not filed with the court. It is pertinent that we allow enough time for the various agencies to file the citation. The court also has to contend with a person using their correct name that is listed on their driver's license as well as the correct citation number. Our account office does their best to stay on top of this and check for possible variances.*
- *County Court took action by sending the money order back to the defendant on 6/2/2023 due to no signed waiver and plea of guilty form. This form is required by our county judges. The money order was returned bad address. Therefore, we had no choice but to receipt and immediately adjust to unclaimed property. It will be paid out to unclaimed property in November 2026.*
- *Douglas County Court takes great pride in their work. Due to our volume, there are many moving parts that involve communicating between many different people. We will strive to improve that communication as well as focusing on waiving the fees in a timely manner and follow all aspects of the Judge's Order.*

DOUGLAS COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Concluded)

2. **Improper or Untimely Action** (Concluded)

- *Douglas County Court adheres to the Neb. Rev. Stat. § 29-2281(4). The fines and costs were paid at Douglas County Corrections to get out of jail early as the defendant was being held due to a Time Pay warrant. DCC forwarded the fines and costs to the court. It should be noted that the jail cannot take money for restitution and a defendant cannot be held for restitution. The court will address this issue with the judges for guidance.*
- *The court has no control of the claiming of the \$17.00 when a case is a year old, as it is done automatically.*
- *Douglas County Court received a jail report with the credit indicating the defendant participated in the Work Offender's Program.*
- *Douglas County Court acknowledges the error in not applying the \$30 probation fees to the bond before refunding the bond. However, the \$17 was not applied to the bond because the defendant received credit for the fines and costs. If credit is applied for fines and costs, the \$17 is not applied.*
- *The court understands the importance of collecting fees. We will continue to work diligently with court staff to ensure that fees owed are properly collected and allocated to the correct case. Also, the court understand the importance of having written documentation available according to Audit Guidelines to show the court's attempt to collect the funds from the wrong party.*
- *Douglas County Court takes great pride in their work. Due to our volume, there are many moving parts that involve communicating between different people. We will strive to improve that communication resulting in errors as such to be caught earlier. This error has been resolved.*

APA Response: For bullet #6, the issue noted in the comment is not related to when the \$17 non-waiverable fees were claimed, but instead that the reimbursement of such fees was not added to the case despite the amounts being claimed a significant amount of time prior to sentencing. Fees claimed should be immediately added back on the case for reimbursement, especially when claimed prior to sentencing. For bullet #8, an order on the case did include a statement regarding the defendant receiving credit for time, fines, and costs served; however, the defendant only sat the amount of time associated with his jail sentence. Therefore, allowing a credit for costs that were not sat out in jail is not reasonable, and the costs should have been applied from the bond as ordered.



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DOUGLAS COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

Douglas County Court
Omaha, Nebraska 68183

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Douglas County Court as of and for the calendar year ending December 31, 2025. The County Court's management is responsible for the Schedule 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 Schedule 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 Schedule of Changes in Assets and Liabilities Arising from Cash Transactions is 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 Schedule 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 Schedule 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 Schedule of Changes in Assets and Liabilities Arising from Cash Transactions for the calendar year ending December 31, 2025, is 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 Schedule of Changes in Assets and Liabilities Arising from Cash Transactions; fraud that is material, either quantitatively or qualitatively, to 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. We performed our examination to express an opinion on whether the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Schedule 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 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.

Government Auditing Standards also require us to perform limited procedures on the Douglas County Court's response to the findings identified in the Comments and Recommendations section of the report. The Douglas County Court's responses were not subjected to the other procedures applied in the attestation of the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions and, accordingly, we express no opinion on the responses.

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.

Rachel Wittler

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Audit Manager
Lincoln, Nebraska


Mike Foley
Auditor of Public Accounts

May 7, 2026

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

For the Calendar Year Ended December 31, 2025

	Balance January 1, 2025	Additions	Deductions	Balance December 31, 2025
ASSETS				
Cash and Deposits	\$ 3,856,591	\$ 18,879,462	\$ 20,211,239	\$ 2,524,814
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 94,120	\$ 1,576,226	\$ 1,606,056	\$ 64,290
Law Enforcement Fees	5,623	131,368	135,850	1,141
State Judges Retirement Fund	54,473	1,337,218	1,375,354	16,337
Court Administrative Fees	38,278	896,829	927,312	7,795
Legal Services Fees	25,826	624,857	643,724	6,959
Due to County Treasurer:				
Regular Fines	82,420	2,157,552	2,222,619	17,353
Overload Fines	250	16,801	17,051	-
Regular Fees	(1,531)	237,296	220,951	14,814
Petty Cash Fund	3,535	-	-	3,535
Municipality Fines	20,321	405,371	421,806	3,886
Due to Municipalities:				
Regular Fees	4,030	64,048	63,256	4,822
Trust Fund Payable	3,529,246	11,431,896	12,577,260	2,383,882
Total Liabilities	\$ 3,856,591	\$ 18,879,462	\$ 20,211,239	\$ 2,524,814

The accompanying notes are an integral part of the Schedule.

DOUGLAS COUNTY COURT
NOTES TO FINANCIAL SCHEDULE
For the Calendar Year Ending December 31, 2025

1. Criteria

A. Reporting Entity

The Douglas 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 Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the County Court reflects 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 Schedule does 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 Douglas County.

B. Basis of Accounting

The accounting records of the County Court Custodial Funds are maintained, and the Schedule of Changes in Assets and Liabilities Arising from Cash Transactions has 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.