

**ATTESTATION REPORT  
OF  
HOWARD COUNTY COURT**

**JANUARY 1, 2025, THROUGH DECEMBER 31, 2025**

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**Issued on March 26, 2026**

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

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

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HOWARD COUNTY COURT

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## HOWARD COUNTY COURT

### COMMENT AND RECOMMENDATION

During our examination of the Howard County Court (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 and operational efficiencies in the following area:

#### **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 Howard 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 14 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. Of those 14 users, we noted that this access had been given to four State employees who were not employees of the Supreme Court.

We noted 10 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.

Lastly, we noted the following additional errors due to the lack of segregation of duties in the Court:

- One case had court costs of \$50 ordered in December 2024, but no follow-up has been performed to collect those costs.
- One case had \$29 of court costs waived and also had \$22 of court costs collected from the County; however, there was no order authorizing such actions. Additionally, this case had \$59 in sheriff fees assessed in May 2025, but no procedures have been performed to collect these fees.

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.

HOWARD COUNTY COURT

**COMMENT AND RECOMMENDATION**

(Concluded)

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.

*County Court's Response:*

*Segregation of duties: The Judicial Branch does not have the financial and human resources to meet audit guidelines for segregation of duties in all county courts. To reduce the risk of improper transactions, court financial specialists regularly review records and provide assistance to county courts.*

*The case that had \$50 court costs ordered at sentencing was already serving a sentence at the Reception and Treatment Center at the time of sentencing in Howard County. I [Clerk Magistrate] was unaware of when he was released to attempt to collect. An Order deeming them uncollectible is being signed by the Judge.*

*When court costs are waived at disposition we do a default waive and claim for the non-waiverable fees. An Order Nunc Pro Tunc was signed by the Judge because I [Clerk Magistrate] had inadvertently left off of the journal entry that the costs were waived by the Judge. As far as the Sheriff fees a non monetary receipt was issued for those fees and was waived along with the other fees.*

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 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 comment and recommendation contained herein. The formal response received has been incorporated into this report. The response has been objectively evaluated and recognized as appropriate in this 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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### HOWARD COUNTY COURT

#### INDEPENDENT ACCOUNTANT'S REPORT

Howard County Court  
St. Paul, Nebraska 68873

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Howard 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;

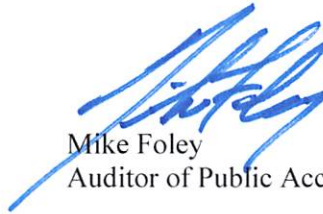
accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards*, and that finding, along with the views of management, is described in the Comment Section of the report.

*Government Auditing Standards* also require us to perform limited procedures on the Howard County Court's response to the findings identified in the Comment and Recommendation section of the report. The Howard County Court's response was 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 response.

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.



Kris Kucera, CPA, CFE  
Assistant Deputy Auditor  
Lincoln, Nebraska



Mike Foley  
Auditor of Public Accounts

March 26, 2026

**HOWARD COUNTY COURT**  
**ST. PAUL, 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
<b>ASSETS</b>				
Cash and Deposits	\$ 24,193	\$ 237,187	\$ 227,752	\$ 33,628
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 1,059	\$ 20,901	\$ 19,304	\$ 2,656
Law Enforcement Fees	155	1,835	1,863	127
State Judges Retirement Fund	1,309	15,576	15,680	1,205
Court Administrative Fees	797	10,415	10,424	788
Legal Services Fees	683	7,749	7,867	565
Due to County Treasurer:				
Regular Fines	3,079	51,782	50,488	4,373
Overload Fines	-	2,501	2,201	300
Regular Fees	60	3,678	3,439	299
Petty Cash Fund	40	-	-	40
Municipality Fines	-	200	200	-
Trust Fund Payable	17,011	122,550	116,286	23,275
<b>Total Liabilities</b>	<b>\$ 24,193</b>	<b>\$ 237,187</b>	<b>\$ 227,752</b>	<b>\$ 33,628</b>

The accompanying notes are an integral part of the Schedule.

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

**1. Criteria**

**A. Reporting Entity**

The Howard 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 Howard 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.