

**ATTESTATION REPORT  
OF  
SARPY COUNTY COURT**

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

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**Issued on April 6, 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**

Kris Kucera, CPA, CFE – Assistant Deputy Auditor  
Kevin Wulf – Auditor  
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SARPY COUNTY COURT

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SARPY COUNTY COURT

**SUMMARY OF COMMENTS**

During our examination of the Sarpy County Court (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:*** County Court staff were capable of handling all phases of a transaction from beginning to end.
2. ***Incorrect or Untimely Action:*** The County Court did not take correct or timely action on six items.

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.

## SARPY 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 Sarpy 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 15 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 15 users, we noted that this access had been given to four State employees who were not employees of the Supreme Court.

We noted seven 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 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.

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.

SARPY COUNTY COURT

COMMENTS AND RECOMMENDATIONS

(Concluded)

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

*County Court's Response: The Administrative Office of the courts and Probation (AOCB) accepts that there is a risk from one person having the authority to initiate and complete financial transactions. To reduce the risk of improper transactions, court financial specialists review court records and provide assistance to county courts if there are discrepancies. However, the Judicial Branch does not have the financial and human resources to mitigate all risks related to segregation of duties sufficient to meet the current audit guidelines. As a result, in order to fulfill all statutory obligations, the AOCB has determined that all clerk magistrates will have the authority to operate all financial functions of a court.*

2. **Incorrect or Untimely Action**

The County Court failed to take correct or timely action on six items that were not addressed in a timely manner or adequately supported, as follows:

- The County Court refunded \$1,000 in appearance bond fees to the defendant in October 2025; however, per Neb. Rev. Stat. § 29-901(3)(c)(i) (Cum. Supp. 2024), such bond fees are to be returned in full only “when no charge is subsequently filed against the defendant or if the charge or charges which are filed are dropped before the appearance of the defendant . . . .” Neither criterion for return of the bond fees was met in this case.
- The County Court waived \$235 of fines and costs due to jail time served in June 2025; however, no documentation was on file to support that such time was served.
- In 2016, a system error resulted in the duplication of filing fees, totaling \$209, in the JUSTICE system. After inquiry during previous examinations, the Supreme Court attempted unsuccessfully to correct the error in both 2023 and 2024; however, system reports have continued to report the variance as of December 31, 2025.
- Three investment accounts had a total of \$45 in service charges incurred from September 2024 through December 2025 that have not been resolved with the bank.

A proper system of internal control and sound accounting practices require procedures to ensure that proper action is completed in a timely manner and documented appropriately.

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

Similar issues were noted in the previous examination.

We recommend the County Court implement procedures to ensure proper, timely, and documented action is taken on case balances.

*County Court's Response:*

- *Office error, more training with staff.*
- *Making a change in procedure to get confirmation from the jail on time served.*
- *System error, nothing for the local court to do.*
- *Better communication with the bank on unexpected fees and getting the bank to do timely refunds.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### SARPY COUNTY COURT

### INDEPENDENT ACCOUNTANT'S REPORT

Sarpy County Court  
Papillion, Nebraska 68046

We have examined the accompanying Schedule of Changes in Assets and Liabilities Arising from Cash Transactions of the Sarpy 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 Comments Section of the report.

*Government Auditing Standards* also require us to perform limited procedures on the Sarpy County Court's response to the findings identified in the Comments and Recommendations section of the report. The Sarpy 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.



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



Mike Foley  
Auditor of Public Accounts

March 31, 2026

**SARPY COUNTY COURT**  
**PAPILLION, 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	\$ 1,665,715	\$ 6,417,590	\$ 6,047,463	\$ 2,035,842
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 37,244	\$ 577,169	\$ 565,892	\$ 48,521
Law Enforcement Fees	3,785	47,388	47,323	3,850
State Judges Retirement Fund	33,119	419,754	414,563	38,310
Court Administrative Fees	24,603	307,585	307,807	24,381
Legal Services Fees	17,048	209,256	208,571	17,733
Due to County Treasurer:				
Regular Fines	77,349	986,404	990,840	72,913
Overload Fines	1,200	9,950	10,675	475
Regular Fees	11,115	127,449	132,029	6,535
Petty Cash Fund	400	-	-	400
Municipality Fines	251	5,181	4,857	575
Trust Fund Payable	1,459,601	3,727,454	3,364,906	1,822,149
<b>Total Liabilities</b>	<b>\$ 1,665,715</b>	<b>\$ 6,417,590</b>	<b>\$ 6,047,463</b>	<b>\$ 2,035,842</b>

The accompanying notes are an integral part of the Schedule.

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

**1. Criteria**

**A. Reporting Entity**

The Sarpy 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 Sarpy 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.