

**ATTESTATION REPORT  
OF  
GRANT COUNTY COURT**

**JULY 1, 2011 THROUGH JUNE 30, 2013**

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**Issued on May 20, 2014**

# GRANT COUNTY COURT

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# GRANT COUNTY COURT

## SUMMARY OF COMMENTS

During our examination of the Grant County Court, we noted certain deficiencies and other operational matters that are presented here.

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. ***Non-Case Receipts:*** The Monthly Report of Non-Case Receipts was not reviewed by the Court in a timely manner to ensure prompt resolution of non-case receipts.

More detailed information on the above items is provided hereafter. 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.

# GRANT 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 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 the office of the County Court lacked of segregation of duties. Specifically, one person was capable of handling all aspects of processing transactions from beginning to end. 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 is not 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 comment in previous examinations. We consider this to be a material weakness.

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.

*County Court's Response: Grant County Court is a one person court, which is operated remote from Box Butte County. I am physically there the second Tuesday of each month. Therefore, the segregation of duties will always be on the court's audit.*

### 2. Non-Case Receipts

A good internal control plan includes County Court procedures to perform an ongoing, detailed review of all monthly financial reports, including the Report of Non-Case Receipts. In addition, sound accounting practices require procedures be in place to resolve all monies received by the County Court in a timely manner.

When monies are received for a court case that has not yet been filed, or for a case in another county, a non-case receipt is generated. Testing of non-case receipts as of June 30, 2013, noted 7 non-case receipts, totaling \$893, which had been receipted by the County Court from January 2013, through June 2013. As of April 2014, the County Court had not taken any action to resolve these monies, by applying them to a case or issuing refunds.

When the County Court's monthly financial reports are not consistently reviewed in a timely manner, there is an increased risk of errors, omissions, and/or irregularities which would not be detected and/or resolved in a timely manner.

# GRANT COUNTY COURT

## COMMENTS AND RECOMMENDATIONS

(Concluded)

### 2. Non-Case Receipts (Concluded)

We recommend the County Court implement procedures to perform ongoing, detailed reviews of all monthly financial reports, including the Report of Non-Case Receipts, in an attempt to identify and resolve unattached and/or unusual balances in a timely manner.

*County Court's Response: As the "Acting" Clerk Magistrate, I review the non-case receipts on a regular basis to ensure that a citation hasn't been paid via internet in the wrong county. On May 2, 2014, I requested the Grant County Attorney to review the list of non-case receipts, and to please file any tickets for monies received. By May 9, 2014, all tickets have been filed and/or refunds issued.*



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### GRANT COUNTY COURT

#### INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Grant County Court as of and for the fiscal years ended June 30, 2013, and June 30, 2012. The County Court's management is responsible for the Schedules. Our responsibility is to express an opinion 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 and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Schedules referred to above present, in all material respects, the assets and liabilities arising from cash transactions of the Agency Funds of the Grant County Court, as of June 30, 2013, and June 30, 2012, and the related activity for the fiscal years then ended, based on the accounting system and procedures prescribed by the Nebraska Supreme Court, as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Schedules and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Schedules 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 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.

This report is intended solely for the information and use of management, the Supreme Court, others within the County Court, and the appropriate Federal and regulatory agencies, and it is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

April 29, 2014



Philip J. Olsen, CPA, CISA  
Audit Manager

**GRANT COUNTY COURT**  
**HYANNIS, NEBRASKA**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Cash and Deposits	\$ 2,638	\$ 17,271	\$ 14,338	\$ 5,571
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 267	\$ 1,727	\$ 1,863	\$ 131
Law Enforcement Fees	40	205	226	19
State Judges Retirement Fund	112	644	706	50
Court Administrative Fees	137	1,571	1,258	450
Legal Services Fees	128	704	771	61
Due to County Treasurer:				
Regular Fines	770	5,563	5,783	550
Regular Fees	-	88	71	17
Trust Fund Payable	1,184	6,769	3,660	4,293
Total Liabilities	\$ 2,638	\$ 17,271	\$ 14,338	\$ 5,571

The accompanying notes are an integral part of the schedule.

**GRANT COUNTY COURT**  
**HYANNIS, NEBRASKA**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ARISING FROM CASH TRANSACTIONS**  
**AGENCY FUNDS**  
For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS</b>				
Cash and Deposits	\$ 1,963	\$ 17,679	\$ 17,004	\$ 2,638
<b>LIABILITIES</b>				
Due to State Treasurer:				
Regular Fees	\$ 219	\$ 2,566	\$ 2,518	\$ 267
Law Enforcement Fees	29	377	366	40
State Judges Retirement Fund	88	1,076	1,052	112
Court Administrative Fees	127	1,472	1,462	137
Legal Services Fees	117	1,226	1,215	128
Due to County Treasurer:				
Regular Fines	475	9,862	9,567	770
Regular Fees	1	266	267	-
Trust Fund Payable	907	834	557	1,184
Total Liabilities	<u>\$ 1,963</u>	<u>\$ 17,679</u>	<u>\$ 17,004</u>	<u>\$ 2,638</u>

The accompanying notes are an integral part of the schedule.

**GRANT COUNTY COURT**  
**NOTES TO FINANCIAL SCHEDULES**  
For the Fiscal Years Ended June 30, 2013, and June 30, 2012

**1. Criteria**

**A. Reporting Entity**

The Grant 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 Agency 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 Grant County.

**B. Basis of Accounting**

The accounting records of the County Court Agency 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. 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 2008). 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 2009) to be secured either by a surety bond or as provided in the Public Funds Deposit Security Act.