

**ATTESTATION REPORT
OF
DAWES COUNTY COURT**

JULY 1, 2012 THROUGH JUNE 30, 2014

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Issued on May 22, 2015

DAWES COUNTY COURT

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DAWES COUNTY COURT

COMMENT AND RECOMMENDATION

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

This comment and recommendation is intended to improve the internal control over financial reporting or result in operational efficiencies in the following area:

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.

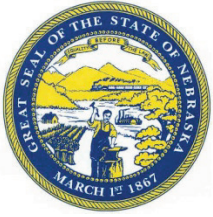
We noted the office of the County Court lacked a segregation of duties, as one person was capable of handling all aspects of processing transactions from beginning to end. A lack of segregation of duties increases the risk of possible errors or irregularities; however, due to a limited number of personnel, 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 included 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: In an effort to serve the public and remain open over the noon hour, each court employee may receive and receipt money paid into the Court during each day. Procedures for balancing cash drawers, making deposits, and reconciling the bank account have been implemented within the Court to try and minimize any potential financial problems with Court funds with the limited staff we have in the Court. In addition, the State Court Administrator recently has designated several "extra duty specialists" located in different locations of the state, to review all of the county courts financial transactions on a monthly basis. These "extra duty specialists" specifically look for voided financial entries, non-monetary receipts, deposits and daily balances, also in an effort to minimize any sort of financial irregularity.

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 on any accounting strengths of the County Court.

Draft copies of this report were furnished to the County Court to provide management an opportunity to review the report and to respond to the comment and recommendation included in this report. The formal response received has been incorporated into this report. The response has been objectively evaluated and recognized, as appropriate, in the 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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DAWES COUNTY COURT

INDEPENDENT ACCOUNTANT'S REPORT

We have examined the accompanying Schedules of Changes in Assets and Liabilities Arising from Cash Transactions of the Dawes County Court as of and for the fiscal years ended June 30, 2014, and June 30, 2013. 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 Dawes County Court, as of June 30, 2014, and June 30, 2013, 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 a certain finding that is required to be reported under *Government Auditing Standards*, and the finding, along with the views of management, is 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 28, 2015



Philip J. Olsen, CPA, CISA
Audit Manager

DAWES COUNTY COURT
CHADRON, NEBRASKA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS

For the Fiscal Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
ASSETS				
Cash and Deposits	\$ 36,426	\$ 320,599	\$ 306,632	\$ 50,393
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 3,708	\$ 46,240	\$ 46,556	\$ 3,392
Law Enforcement Fees	399	4,488	4,492	395
State Judges Retirement Fund	1,321	14,108	14,184	1,245
Court Administrative Fees	1,713	19,471	19,478	1,706
Legal Services Fees	1,300	14,620	14,617	1,303
Due to County Treasurer:				
Regular Fines	8,196	98,382	97,048	9,530
Overload Fines	-	450	400	50
Regular Fees	246	5,136	4,411	971
Petty Cash Fund	225	-	-	225
Due to Municipalities:				
Regular Fines	1,479	11,760	12,157	1,082
Regular Fees	100	635	601	134
Trust Fund Payable	17,739	105,309	92,688	30,360
Total Liabilities	\$ 36,426	\$ 320,599	\$ 306,632	\$ 50,393

The accompanying notes are an integral part of the schedule.

DAWES COUNTY COURT
CHADRON, 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
ASSETS				
Cash and Deposits	\$ 48,119	\$ 344,456	\$ 356,149	\$ 36,426
LIABILITIES				
Due to State Treasurer:				
Regular Fees	\$ 4,635	\$ 52,573	\$ 53,500	\$ 3,708
Law Enforcement Fees	635	5,471	5,707	399
State Judges Retirement Fund	2,127	17,020	17,826	1,321
Court Administrative Fees	2,731	24,745	25,763	1,713
Legal Services Fees	2,062	18,070	18,832	1,300
Due to County Treasurer:				
Regular Fines	11,260	111,884	114,948	8,196
Overload Fines	100	75	175	-
Regular Fees	221	7,476	7,451	246
Petty Cash Fund	-	225	-	225
Due to Municipalities:				
Regular Fines	1,048	20,896	20,465	1,479
Regular Fees	100	831	831	100
Trust Fund Payable	23,200	85,190	90,651	17,739
Total Liabilities	\$ 48,119	\$ 344,456	\$ 356,149	\$ 36,426

The accompanying notes are an integral part of the schedule.

DAWES COUNTY COURT
NOTES TO FINANCIAL SCHEDULES
For the Fiscal Years Ended June 30, 2014, and June 30, 2013

1. Criteria

A. Reporting Entity

The Dawes 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 Dawes 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.