

**ATTESTATION REPORT
OF THE
NEBRASKA STATE BOARD OF
EXAMINERS FOR LAND SURVEYORS
JULY 1, 2004 THROUGH JUNE 30, 2005**

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Issued on March 31, 2006

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

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NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

BACKGROUND

The State Board of Examiners for Land Surveyors was created by the Legislature in 1957. The law provided for the Director-State Engineer, State Surveyor, and Dean of the University of Nebraska's College of Engineering to serve as an ex officio Board. The State Surveyor was the Board's ex officio secretary.

The 1971 Legislature established the independent State Board of Examiners for Land Surveyors. The Board tests and interviews people applying to be registered land surveyors. The Board can also revoke registration for failure to follow the regulations. The Board is financed through registration fees, which are handled by the Board's secretary.

The Board has five members who are appointed by the Governor to five-year terms. Four members must be registered land surveyors who have lived in Nebraska for at least one year and have been practicing surveyors for ten years. At least five years must have been spent in charge of surveying work. One Board member, who is at least 21 years old and a Nebraska resident for at least one year, represents the public. The State Surveyor serves as ex officio secretary of the Board and all committees appointed by the Board.

The Board meets three or four times each year. Members are not paid, but are reimbursed for their expenses.

MISSION STATEMENT

The mission of the State Board of Examiners for Land Surveyors is to enforce and administer the laws relating to regulation of land surveying through licensing in Nebraska and to ensure the quality of land surveying in Nebraska for the protection of the public.

ORGANIZATIONAL CHART

Sheryl K. Jordan.....	Chairperson
James W. Hawks.....	Vice-Chairperson
Donald L. Pettigrew	Member
Jerry G. Hain.....	Member
Gary D. Tinkham	Member
Steven C. Cobb	Secretary

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

EXIT CONFERENCE

An exit conference was held March 7, 2006, with the Board to discuss the results of our examination. Those in attendance for the Nebraska State Board of Examiners for Land Surveyors were:

NAME	TITLE
Steven C. Cobb	Secretary
Kathy Martin	Administrative Assistant

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

COMMENT AND RECOMMENDATION

During our examination of the Nebraska State Board of Examiners for Land Surveyors, we noted a certain matter involving the internal control over financial reporting and other operational matters which is presented here.

Reconciliation of Bank Records to the Nebraska Information System

During the audit of the Comprehensive Annual Financial Report (CAFR) of the State of Nebraska, the Auditor of Public Accounts (APA) noted the absence of reconciliation between the Nebraska State Treasurer's actual bank statements and Nebraska accounting records (in both the Nebraska Information System (NIS) and the Nebraska Accounting System (NAS), system before NIS). This has been an issue for the Department of Administrative Services Accounting Division (State Accounting) for many years. The APA's previous comments noted monthly reconciliations have not been completed in a timely manner and reconciliations performed have shown significant unknown variances between the bank records and the accounting records, with the bank being short compared to the accounting records. Although State Accounting continues to work on correcting the reconciliation of bank records to NIS, the APA continues to note areas where improvement is still needed in the reconciliation process to ensure NIS integrity and operational efficiency. Specifically, the APA noted the status of the reconciliation process as of December 19, 2005 to be as follows:

State Accounting has worked on the reconciliation process, but continued progress is needed. State Accounting's reconciliation process has developed into a very detailed process of analyzing bank activity, compared to activity recorded on NIS, to identify reconciling items. State Accounting has completed their reconciliation process for the months of July of 2004 and May, June, and July of 2005. The APA has reviewed these reconciliations. The months of May, June, and July show variances of \$3,425,381, \$3,405,702, and \$3,405,862, respectively. Again, the reconciliations show the bank being short compared to the accounting records. Per inquiry of management, State Accounting has started the reconciliation process for various months of the fiscal year ended June 30, 2006; however, the reconciliation process has not been a continuous monthly process and no monthly reconciliation has been completed since July of 2005.

Good internal control requires a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial information. Without a timely and complete reconciliation of bank records to the NIS, there is a greater risk for fraud and errors to occur and to remain undetected.

Although State Accounting has worked on the reconciliation process, the process is still not done in a timely manner. The reconciliation continues to reflect unknown variances and shortages. Complete and timely reconciliation procedures between bank records and accounting records are required to provide control over cash and accurate financial information.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

COMMENT AND RECOMMENDATION

(Continued)

Reconciliation of Bank Records to the Nebraska Information System (Concluded)

We recommend State Accounting continue their reconciliation process, in a more timely manner, and on at least a monthly basis, to ensure all financial information is correct on NIS. We also recommend, when a consistent cash variance between the bank records and the accounting records is obtained (based on at least six months of reconciliations), DAS submit their plan for adjusting NIS to the Governor and the Legislature so they may take appropriate action to correct NIS and resolve the variances noted.

This issue is the responsibility of State Accounting; however, as the variances have not been identified by fund or agency, this issue directly affects all Nebraska State agencies' financial information and must be disclosed in this report.

It should be noted this report is critical in nature as it contains only our comment and recommendation on the area noted for improvement.

Draft copies of this report were furnished to the Board to provide them an opportunity to review the report and to respond to the comment and recommendation included in this report. The Board declined to respond.

We appreciate the cooperation and courtesy extended to our staff during the course of the examination.

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NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

INDEPENDENT ACCOUNTANT'S REPORT

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Nebraska State Board of Examiners for Land Surveyors
Lincoln, Nebraska

Don Dunlap, CPA
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We have examined the accompanying schedule of revenues, expenditures, and changes in fund balances of the Nebraska State Board of Examiners for Land Surveyors (Board) for the fiscal year ended June 30, 2005. The Board's management is responsible for the schedule of revenues, expenditures, and changes in fund balances. Our responsibility is to express an opinion based on our examination.

Pat Reding, CPA
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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 schedule of revenues, expenditures, and changes in fund balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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In our opinion, the schedule referred to above presents, in all material respects, the revenues, expenditures, and changes in fund balances of the Nebraska State Board of Examiners for Land Surveyors for the fiscal year ended June 30, 2005, based on the accounting system and procedures prescribed by the State of Nebraska Director of Administrative Services as described in Note 1.

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In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2006, on our consideration of the Nebraska State Board of Examiners for Land Surveyor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an attestation engagement performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our examination.

This report is intended solely for the information and use of the Board and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

March 7, 2006


Assistant Deputy Auditor

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS
**SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE**
 For the Fiscal Year Ended June 30, 2005

	Land Surveyors Examiners Cash Fund 26210
REVENUES:	
Sales & Charges	\$ 31,775
Miscellaneous	2,178
TOTAL REVENUES	33,953
EXPENDITURES:	
Operating	19,412
Travel	5,346
TOTAL EXPENDITURES	24,758
Excess of Revenues Over Expenditures	9,195
FUND BALANCE, JULY 1, 2004	45,782
FUND BALANCE, JUNE 30, 2005	\$ 54,977
FUND BALANCE CONSISTS OF:	
General Cash	\$ 54,916
Deposits with Vendors	61
TOTAL FUND BALANCE	\$ 54,977

The accompanying notes are an integral part of the schedule.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

NOTES TO THE SCHEDULE

For the Fiscal Year Ended June 30, 2005

1. Criteria

The accounting policies of the Nebraska State Board of Examiners for Land Surveyors are on the basis of accounting as prescribed by the State of Nebraska Department of Administrative Services (DAS).

Per Neb. Rev. Stat. Section 81-1107(2) R.S.Supp., 2004, the State of Nebraska Director of Administrative Services duties include "The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes."

The Nebraska Information System (NIS) is the official accounting system prescribed by DAS for the State of Nebraska. Policies and procedures are detailed in NIS manuals and Nebraska Accounting System Concepts published by DAS and available to the public. The financial information used to prepare the schedule of revenues, expenditures, and changes in fund balances for the Board was obtained directly from the NIS. NIS records accounts receivable and accounts payable as transactions occur. As such certain revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounts payable liability recorded on NIS, and thus recorded as expenditures, as of June 30, 2005, includes only those payables posted to NIS before June 30, 2005, and not yet paid as of that date. The amount recorded as expenditures as of June 30, 2005, **does not** include amounts for goods and services received before June 30, 2005, which had not been posted to NIS as of June 30, 2005.

The Board had no accounts receivable at June 30, 2005.

The fund type established by NIS that is used by the Board is:

20000 – Cash Funds – account for revenues generated by specific activities from sources outside of State government and the expenditures directly related to the generation of the revenues. Cash funds are established by State statutes and must be used in accordance with those statutes.

The major revenue object account codes established by NIS used by the Board are:

Sales & Charges – Income derived from sales of merchandise and commodities, compensation for services rendered, and charges for various licenses, permits, and fees.

Miscellaneous – Revenue from sources not covered by other major categories, such as investment income.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

NOTES TO THE SCHEDULE

(Continued)

1. Criteria (Concluded)

The major expenditure object account titles established by NIS used by the Board are:

Operating – Expenditures directly related to a program's primary service activities.

Travel – All travel expenses for any state officer, employee, or member of any commission, council, committee, or board of the State.

Other significant object account codes established by NIS and used by the Board include:

Assets – Resources owned or held by a government that have monetary value. Assets include cash accounts and deposits with vendors. Cash accounts and deposits with vendors are also included in fund balance and are reported as recorded on NIS.

2. State Agency

The Nebraska State Board of Examiners for Land Surveyors (Board) is a State agency established under and governed by the laws of the State of Nebraska. As such, the Board is exempt from State and Federal income taxes. The schedule includes all funds of the Board.

The Nebraska State Board of Examiners for Land Surveyors is part of the primary government for the State of Nebraska.

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NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN EXAMINATION OF THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Nebraska State Board of Examiners for Land Surveyors
Lincoln, Nebraska

We have examined the accompanying schedule of revenues, expenditures, and changes in fund balances of the Nebraska State Board of Examiners for Land Surveyors for the fiscal year ended June 30, 2005, and have issued our report thereon dated March 7, 2006. We conducted our examination 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.

Internal Control Over Financial Reporting

In planning and performing our examination, we considered the Nebraska State Board of Examiners for Land Surveyor's internal control over financial reporting in order to determine our procedures for the purpose of expressing our opinion on the schedule of revenues, expenditures, and changes in fund balances, and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Nebraska State Board of Examiners for Land Surveyor's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial schedule. A reportable condition is described in the Comments Section of the report as Reconciliation of Bank Records to the Nebraska Information System.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial schedule being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nebraska State Board of Examiners for Land Surveyor's schedule of revenues, expenditures, and changes in fund balances, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our examination, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

March 7, 2006

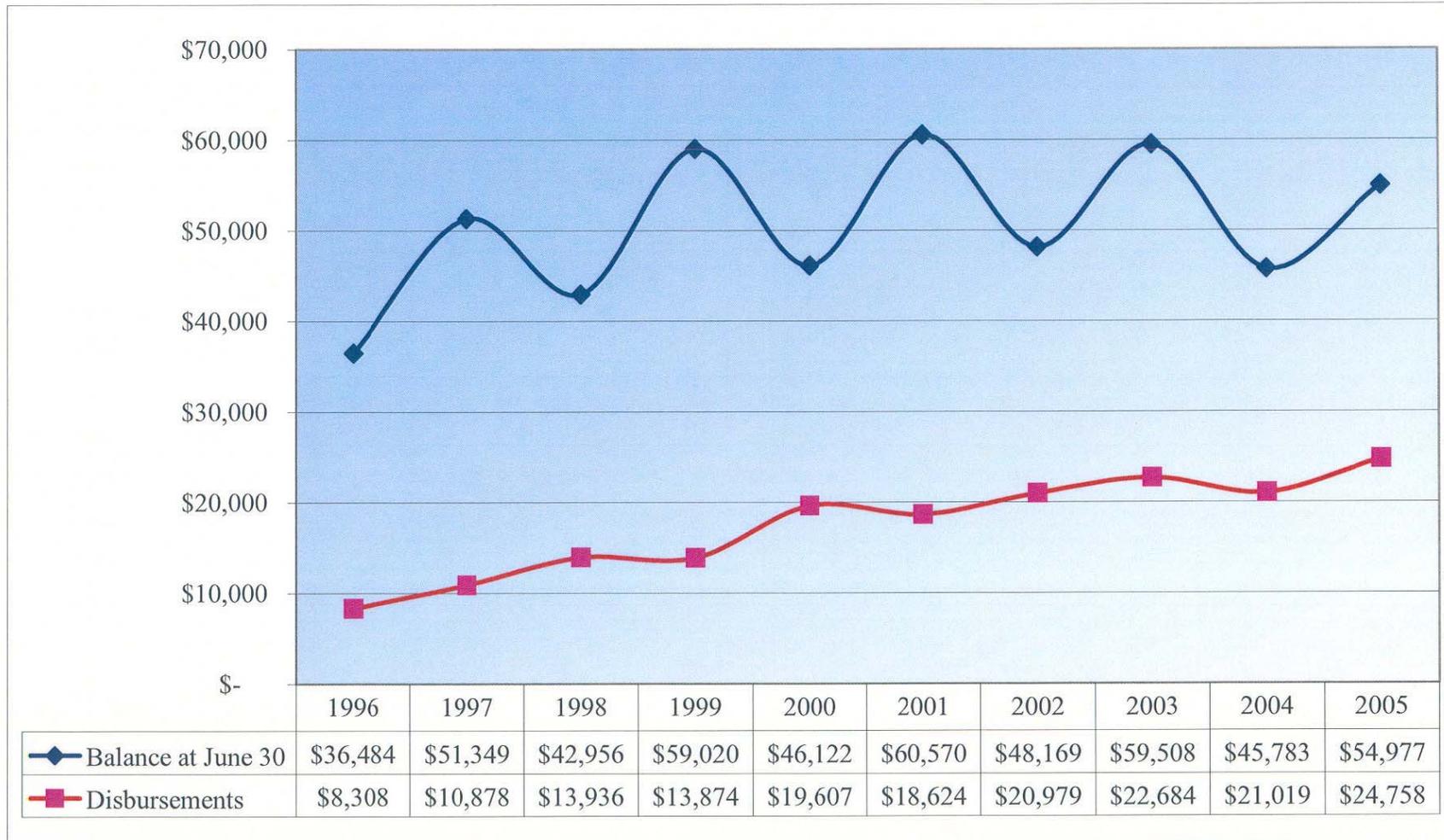

Assistant Deputy Auditor CPA

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

STATISTICAL SECTION

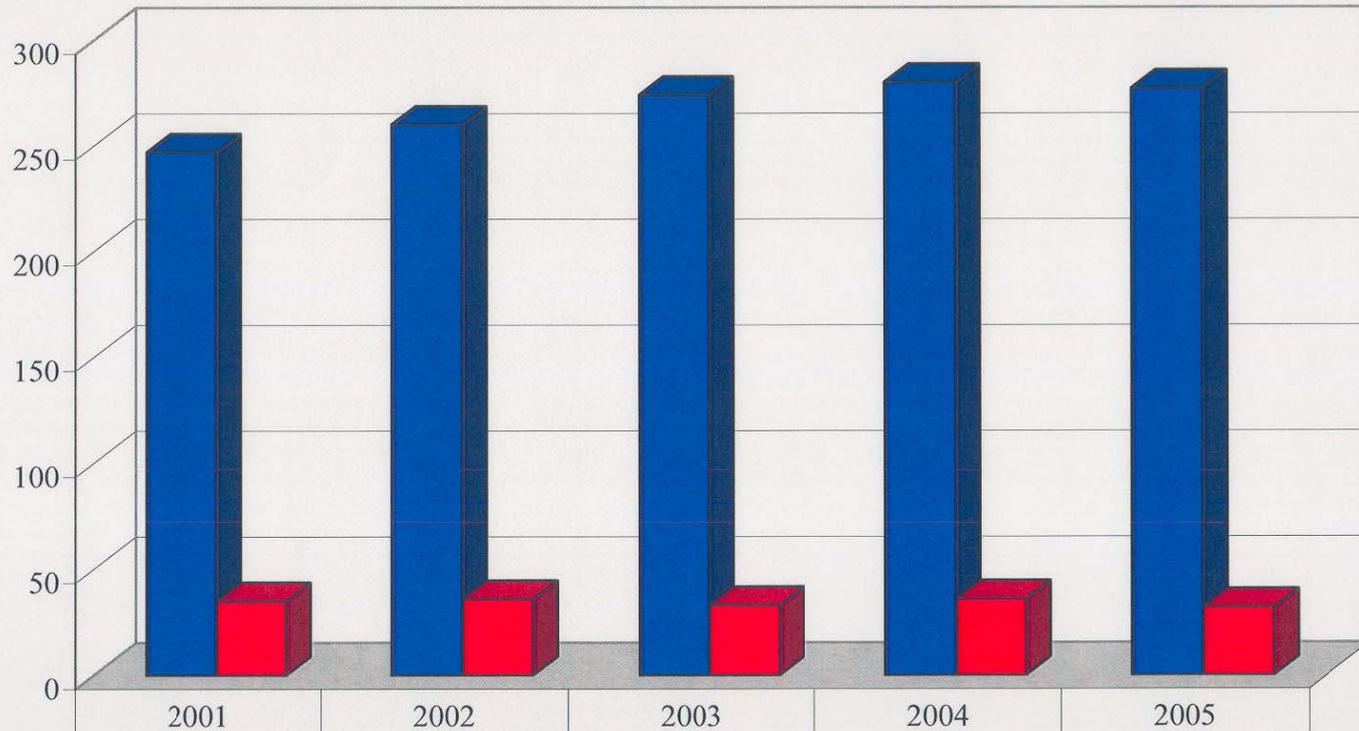
Our examination was conducted for the purpose of forming an opinion on the schedule of revenues, expenditures, and changes in fund balances. Statistical Section information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the schedule of revenues, expenditures, and changes in fund balances, and, accordingly, we express no opinion on it.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS
SCHEDULE OF DISBURSEMENTS AND FUND BALANCE
 Fiscal Years Ended June 30, 1996 through 2005
 UNAUDITED



Note: After the issuance of a certificate of registration, a biennial fee is due each odd-numbered year. Therefore receipts and fund balance is greater in the odd-numbered years.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS
REGISTERED SURVEYORS AND EXAMS ADMINISTERED
 Fiscal Years Ended June 30, 2001 through 2005
 UNAUDITED



■ Surveyors Registered	247	260	274	280	277
■ Applicants Examined	35	36	33	36	32