

**ATTESTATION REPORT  
OF THE  
NEBRASKA COMMISSION ON THE  
STATUS OF WOMEN**

**JULY 1, 2005 THROUGH JUNE 30, 2006 AND  
JULY 1, 2006 THROUGH FEBRUARY 28, 2007**

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**Issued on June 4, 2007**

# NEBRASKA COMMISSION ON THE STATUS OF WOMEN

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# NEBRASKA COMMISSION ON THE STATUS OF WOMEN

## **BACKGROUND**

The Governor's Commission on the Status of Women was created in 1965 in response to the Federal President's Commission on the Status of Women created in 1961. The State commission was made a State agency in 1971, and its name was changed to the Nebraska Commission on the Status of Women (Commission) in 1975.

The Commission works to research, identify, assess, and communicate Nebraska's status of women and their families to the public, policymakers, and others. The Commission also works with policymakers, organizations, and individuals to find remedies for problems affecting Nebraska women, children, and their families.

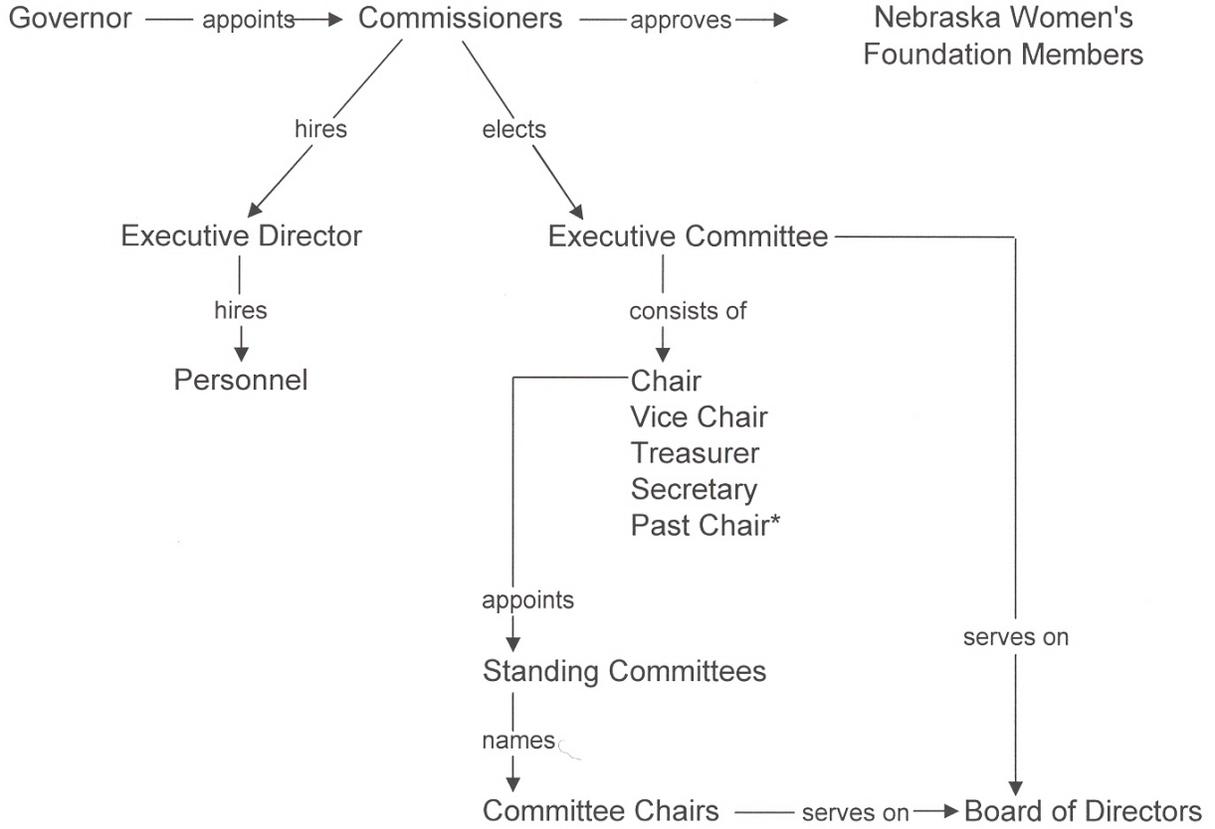
The Commission has no more than thirty members, with five each appointed by the Governor from Nebraska's six Supreme Court districts as they existed on January 1, 1971. Members are appointed by the Governor to three-year terms with no more than half the members belonging to the same political party. Members represent a variety of interests and backgrounds. No member may serve more than six consecutive years. The Commission meets four times a year. Members are not paid but may be reimbursed for their expenses.

## **MISSION STATEMENT**

The Nebraska Commission on the Status of Women is a single-focused agency that champions Nebraska's women and families through providing research, education, legislative advocacy, and services to promote financial independence, educational and professional achievement, and strong families.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**ORGANIZATIONAL CHART**



\* The Past Chair shall serve in an advisory capacity to the Executive Committee for one year following the expiration his/her term as Chairperson, provided that he/she is still a member of the Commission.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**EXIT CONFERENCE**

An exit conference was held May 2, 2007, with the Commission to discuss the results of our examination. Those in attendance for the Nebraska Commission on the Status of Women were:

<b>NAME</b>	<b>TITLE</b>
Jennifer Gutierrez	Interim Co-Executive Director
Jolanda Junge-Kuzma	Interim Co-Executive Director
Anne Hobbs	Interim Vice Chair NCSW

# NEBRASKA COMMISSION ON THE STATUS OF WOMEN

## SUMMARY OF COMMENTS

During our examination of the Nebraska Commission on the Status of Women, we noted certain matters involving the internal control over financial reporting and other operational matters that are presented here.

1. ***Control Environment:*** We noted several deficiencies in the design and operation of the Commission's control environment. There was not an adequate segregation of duties or compensating controls to ensure no one individual was in a position to both perpetrate and conceal errors and irregularities.
2. ***Supporting Documentation:*** We noted the accounting records of the Commission were not complete. There were numerous accounting documents the Commission was unable to locate.
3. ***Pre-audit of Expenditures:*** We noted several documents processed in the Nebraska Information System (NIS) were not properly pre-audited as required by the Department of Administrative Services (DAS).
4. ***Fixed Assets Inventory:*** We noted the Commission had not performed or filed an annual inventory with the State Materiel Administrator and had several assets not marked as "Property of the State of Nebraska."
5. ***Nebraska Women's Foundation Receipts:*** We noted several donations made payable to the Commission were not recorded on NIS and were forwarded to the Foundation.
6. ***Payroll:*** We noted several errors in the Commission's payroll involving personnel files, NIS Adjusted Service Date, retirement withholding, and time records.
7. ***Leave Balances and Payoff:*** We noted the Commission's former Executive Director's final vacation balance was not paid out upon separation from the State.

More detailed information on the above items is provided hereafter. It should be noted this report is critical in nature as it contains only our comments and recommendations on the areas noted for improvement.

Draft copies of this report were furnished to the Commission to provide them 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. Where no response has been included, the Commission declined to respond. 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 will be verified in the next examination.

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

# NEBRASKA COMMISSION ON THE STATUS OF WOMEN

## COMMENTS AND RECOMMENDATIONS

Comment Number 1 (Control Environment) relates to multiple processing areas of the Commission where internal control deficiencies were noted. It is provided to give the Commission a high level overview in ways the Commission might strengthen their internal controls. Comment Numbers 2 through 7 identify specific problems and other internal control deficiencies. We believe these comments and their related recommendations, if implemented by the Commission, would provide a sound internal control environment to help ensure accountability over the assets of the State.

### 1. Control Environment

Good internal control requires an adequate segregation of duties or compensating controls be properly designed to ensure no one individual is in a position to both perpetrate and conceal errors and irregularities.

We noted several deficiencies in the design and operation of the Commission's control environment. As an independent agency of the State of Nebraska, the Commission is responsible for ensuring there is a well designed and properly functioning control environment. In a small State agency such as the Commission, which has only one or two employees, it is difficult to adequately segregate duties; however, a properly designed control environment featuring key compensating controls can be implemented. One key element of a good control environment in a small agency is the direct oversight of the administration of the operations of the agency by the Commission members. This would include a detailed review and approval of all receipt and expenditure transactions, knowledge and monitoring of laws and regulations that govern the agency and ensuring compliance with those laws and regulations, and monitoring procedures to ensure all assets of the Commission are safe guarded. This could be accomplished by forming an "audit committee" comprised of selected Commission members to perform the direct administrative oversight duties for the Commission's daily operations. The audit committee, in turn, would then report to the full Commission the results of their review during the Commission's regular meetings. These results should be reviewed, discussed, and approved by all the Commission members, which would be included in the Commission's meeting minutes. Without the presence of an audit committee or oversight from individuals independent of the accounting process, it is not possible to maintain an adequate control environment for an agency this size.

Following are the major deficiencies noted and a brief outline of what a properly functioning control environment should look like for a State agency the size of the Commission.

#### Expenditures, Other Than Payroll

- There was no documented review of the General Ledger Post Report performed by the Commission to ensure invoices approved for payment properly posted to NIS. A similar finding was noted in the previous report.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**1. Control Environment** (Continued)

Expenditures, Other Than Payroll (Concluded)

- There was no documented review of the General Ledger Detail Report performed by the Commission to ensure only documents approved by the Commission were posted to NIS. There was also no documented review of this report by the Commission members, who are independent of the expenditure process.

During the examination period, the Commission Treasurer reviewed budget reports provided by the Department of Administrative Services Budget Analyst assigned to the Commission. The Treasurer reported the results of his review to the full Commission at their quarterly meetings.

A properly designed control environment should include a documented review of the General Ledger Post Report by the Executive Director. This report lists all documents from a batch posted on NIS. By reviewing this report, the Executive Director can ensure the amount approved for payment from the original invoice was properly paid to the correct vendor. The General Ledger Detail Report should be reviewed on a regular basis, monthly at a minimum, to monitor the Commission's activity. This report should also have a documented review performed by the Executive Director to ensure only items approved for payment by the Commission posted to the Commission's General Ledger. This report should also be subjected to a documented independent review by designated Commission members serving as the audit committee.

Payroll Expenditures

- Timesheets were not maintained by the Executive Director.
- There was no documented reconciliation of payroll input (timesheets) to payroll output (Final Payroll Register) from NIS. There was also no documented review of this reconciliation by Commission members, who are independent of the payroll process.

A properly designed control environment should include all Commission employees maintaining a detailed record of time worked and leave used. At a minimum, salaried overtime exempt employees should record leave used and certify they worked at least forty hours each week, including leave used. All timesheets for Commission employees should be reviewed and approved by an appropriate supervisor. The Executive Director's time record should be reviewed and approved by the designated Commission members serving as the audit committee. There should also be a documented reconciliation of employee timesheets used as payroll input to the Final Payroll Register from NIS to ensure no errors or omissions occurred. This reconciliation should be subjected to a documented independent review by the designated Commission members serving as the audit committee.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**1. Control Environment** (Continued)

Fixed Assets

- The Additions and Retirement Report from NIS was not reviewed. There was also no documented review of this report by the Commission members, who are independent of the fixed asset process.
- There was no annual inventory of Commission assets performed. There was also no documented review of this inventory by the Commission members, who are independent of the fixed asset process.

A properly designed control environment should include a periodic documented review of the NIS Additions and Retirements Report by the Executive Director. This report details all fixed assets that have been added or removed from the fixed asset listing recorded on NIS. This report should also be subjected to a documented independent review by the designated Commission members serving as the audit committee. All assets of the Commission, including those not recorded on NIS, should be inventoried annually to ensure all assets are accounted for. This inventory should be reviewed by the Executive Director. This inventory should also be subjected to a documented independent review by the designated Commission members serving as the audit committee.

Receipts

- The Commission did not have a pre-numbered receipt book to record cash receipts as they were received.
- There was no documented reconciliation of NIS deposit documents for cash receipts to the receipt book or the NIS General Ledger Detail Report.

A properly designed control environment should include a pre-numbered receipt book to record cash receipts as they are received by the Commission. This receipt book should have multiple copies of each receipt. One copy should be maintained in the book, one copy should be attached to the NIS deposit document, and one copy should be given to the remitter, if present. All NIS deposit documents should be reconciled to the receipt book and the NIS General Ledger Detail Report to ensure all cash receipts received were deposited and all deposits were properly credited to the Commission on NIS. This reconciliation should be subjected to a documented independent review by the designated Commission members serving as the audit committee.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**1. Control Environment (Concluded)**

A similar finding was reported in the previous audit of the Commission.

Without adequate segregation of duties or compensating controls, there is an increased risk that one individual could be in a position to both perpetrate and conceal intentional errors and irregularities.

We recommend the Commission implement procedures suggested in the control environment noted above to ensure no one individual is in a position to both perpetrate and conceal errors or irregularities.

**2. Supporting Documentation**

Good internal control requires transactions be adequately documented and explained.

We noted the accounting records of the Commission were not complete. There were numerous accounting documents the Commission was unable to locate.

Expenditures, Other Than Payroll

One of fifteen documents tested was not adequately supported. Payment in the amount of \$588 was made for moving expenses incurred. There was no documentation for the purpose of the expense, i.e. what was moved, why it was moved, and where it was moved to.

Three of four payments tested coded to contractual services did not have contracts or agreements on file for services rendered. The total payments made to these contractors for the period was \$3,134.

Payroll Expenditures

Time records for the former Executive Director were not adequate to support the amount of leave earned and usage recorded on NIS. There was also no employee personnel file for the former Executive Director containing the required personnel records.

Receipts

The Commission did not maintain a receipt book to document cash and checks received. Documentation was not adequate to determine the total amount of donations for the Nebraska Women's Foundation (Foundation) received by the Commission and subsequently passed through to the Foundation.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**2. Supporting Documentation** (Concluded)

Fixed Assets

The Commission did not have documentation key fixed asset reports on NIS were reviewed on a periodic basis.

Without adequate supporting documentation to explain all transactions, there is an increased risk of fraudulent activity.

We recommend the Commission implement procedures to ensure all transactions are adequately documented and explained.

**3. Pre-audit of Expenditures**

Nebraska State Accounting Manual, AM-005 Section 16, Pre-audit states, "For all agencies not authorized to perform their own pre-audit, State Statute Section 81-1111, R.R.S., requires the accounting division to pre-audit and control all payment vouchers equal to or exceeding \$1,500 ... The State Accounting Administrator has the authority to waive pre-audit on those vouchers totaling less than \$1,500 with the following exceptions: a. Employee-related expenses such as: 1) Employee expense vouchers 2) Direct-bill lodging and airfare 3) Moving expenses 4) Tuition assistance 5) Employee recognition programs b. Expenses pertaining to conferences including: 1) Food 2) Lodging 3) Honorariums c. Encumbrance liquidations between bienniums d. The legislation also provides that the State Accounting Administrator may determine other audit-sensitive areas."

Good internal control requires an adequate segregation of duties to ensure no one individual is able to both perpetrate and conceal errors or irregularities. Good internal control also requires pre-audit be performed on all payment vouchers to ensure the payment is correct prior to posting it to the General Ledger.

During expenditure testing, ten instances were noted in which batches were approved on NIS by the Executive Director and posted on NIS by the Administrative Assistant. The Commission did not have authorization from the Department of Administrative Services (DAS) to perform their own pre-audit function; these batches were not pre-audited by DAS as required. Per discussion with the Administrative Assistant, she was not involved in the accounting process whatsoever and did not process any transactions on NIS. It was noted the former Executive Director served as the Commission's NIS Security Administrator, which allowed her the ability to have NIS passwords reset for other Commission employees. The ten documents noted totaled \$4,327, and six of these documents were considered audit-sensitive areas requiring the pre-audit function to be performed. Of the six documents, four documents totaling \$3,053 included expenses directly related to the Executive Director, \$725 of which was paid directly to the Executive Director.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**3. Pre-audit of Expenditures** (Concluded)

Without an adequate segregation of duties, there is an increased risk one individual is able to both perpetrate and conceal errors and irregularities. By not performing the pre-audit function, the Commission is not in compliance with State laws and regulations.

We recommend the Commission implement procedures to ensure all documents are properly pre-audited in accordance with State laws and regulations. We further recommend the Commission implement procedures to ensure no one individual is able to both perpetrate and conceal errors or irregularities.

**4. Fixed Assets Inventory**

Neb. Rev. Stat. Section 81-1118.02 R.R.S. 1999 states “(1) Each ... commission ... shall annually make or cause to be made an inventory of all property, including furniture and equipment, belonging to the State of Nebraska and in the possession, custody, or control of any ... commission ... as of June 30 and shall be completed and filed with the materiel administrator by August 31 of each year. (2) If any of the property of the state, referred to in subsection (1) of this section, is lost, destroyed, or unaccounted for by the negligence or carelessness of the ... commission ... the administrator shall, with the advice of the Attorney General, take the proper steps to recover such state property or the reasonable value thereof from the ... commission ... (3) Each ... commission ... shall indelibly tag, mark, or stamp all such property belonging to the State of Nebraska, with the following: Property of the State of Nebraska. In the inventory required by subsection (1) of this section, each such ... commission ... shall state positively that each item of such property has been so tagged, marked, or stamped.”

Good internal control requires all fixed assets recorded on NIS be in the location recorded on NIS. Good internal control also requires a procedure for tracking or monitoring significant items not included on the NIS fixed asset listing.

During our review of Commission fixed assets, we noted the following:

- There was no record of the Commission performing a physical inventory, or the inventory being filed with DAS Materiel by August 31, as required by statute, for either 2005 or 2006. The annual inventory should be performed or reviewed by an individual without access or with inquiry access only to the NIS Fixed Asset module. The results of the inventory and review of the inventory should be documented by the individuals performing them.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**4. Fixed Assets Inventory (Concluded)**

- All property of the State of Nebraska held by the Commission was not tagged, marked, or stamped “Property of the State of Nebraska.”
- Auditor was unable to locate 17 of 22 fixed assets recorded on NIS for the Commission.
- The Commission did not have procedures to track or monitor significant items not included as equipment fixed assets.

The Commission was not in compliance with State statute. There is an increased risk of loss or misappropriation of State assets when there is not an independent documented review of the annual inventory.

We recommend the Commission implement procedures to ensure an annual inventory of assets is performed as directed by State statute and this inventory is reviewed by an individual independent of the fixed asset process.

**5. Nebraska Women’s Foundation Receipts**

Good internal control requires all checks payable to the Commission be deposited with the State Treasurer.

During our review of the Commission’s internal controls over receipts, we noted checks payable to the Commission were forwarded to the Foundation. Seven checks totaling \$364 were made payable to the Commission, but were forwarded to the Foundation for deposit. The Foundation is a private, non-profit entity from which the Commission is the primary beneficiary. The Commission received donations for the Foundation and forwarded them directly to the Foundation. The Commission did not record these receipts on NIS as they were not intended for the Commission directly. All checks made out to the Commission appeared to be considered donations, not payments, and would be appropriate to forward to the Foundation, after deposited with the State Treasurer.

There is an increased risk of errors or omissions when all receipts made out directly to the Commission are not deposited with the State Treasurer.

We recommend the Commission work with the Foundation to have all donations remitted directly to the Foundation, and not through the Commission. We also recommend those receipts made out

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**5. Nebraska Women's Foundation Receipts (Concluded)**

directly to the Commission, but intended for the Foundation, be deposited with the State Treasurer and a warrant issued to the Foundation for the amount of the donations.

**6. Payroll**

Title 273 NAC 12-002 states "Each agency covered by the State Classified Personnel System shall maintain certain personnel records."

8 U.S.C. Section 1324(a)(b)(1)(A) states "The person or entity must attest, under penalty of perjury and on a form designated or established by the Attorney General by regulation, that it has verified that the individual is not an unauthorized alien..." The designated form is the I-9, which states all employees, citizens and noncitizens, hired after November 6, 1986, must complete Section 1 of this form at the time of hire, which is the actual beginning of employment.

Neb. Rev. Stat. Section 84-1308 R.R.S. 1999 states "Each employee who is a member of the retirement system shall pay or have paid on his or her behalf a sum equal to four and thirty-three hundredths percent of his or her monthly compensation until such time as he or she has paid during any calendar year a total of eight hundred sixty four dollars, after which time he or she shall pay a sum equal to four and eight-tenths percent of his or her monthly compensation for the remainder of such calendar year."

Title 273 NAC 10-002 states "Each agency shall maintain an attendance record for each employee, accounting for time worked and all absences from work."

During our detail test of payroll, we noted the following:

- Auditor could not trace name, social security number, and I-9 form to records for the one employee tested. There was no employee file for the former Executive Director. All Commission employees should have a personnel file documenting key information about employees:
  - Application or resume
  - Authorization to hire
  - I-9 Form
  - W-4 Form
  - Pay rate or salary changes and a documented review of these amounts on NIS
  - Documentation of the review of changes made to the NIS Employee Master File
  - Other personnel information as considered necessary by the Commission

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**6. Payroll (Concluded)**

- Auditor could not verify the adjusted service date recorded on NIS was correct for the one employee tested. The Adjusted Service Date is used to account for extended breaks in an employee's service with the State. There was no documentation to support the NIS Adjusted Service Date being different than the NIS Original Hire Date for the former Executive Director.
- Net pay was not correctly calculated per the payroll spreadsheet for one of two pay periods. Retirement was withheld at the incorrect rate for the November 9, 2005, paycheck for the former Executive Director. Retirement was withheld at the 4.33% rate instead of the 4.8% rate. Retirement withheld was \$89, but should have been \$97. This will not be an issue moving forward as State statute has been amended to have employee retirement withheld at the 4.8% rate for the entire year.
- Auditor could not trace hours to approved timesheets for both pay periods tested. Timesheets were not maintained or reviewed and approved by an appropriate supervisor during our examination period. All Commission employees should maintain timesheets noting hours worked and leave used. Salaried employees exempt from overtime, could alternatively maintain timesheets recording leave usage only and certifying forty hours were worked for each week. All timesheets should have a documented review and approval by an appropriate supervisor. The Executive Director's timesheets should be reviewed by a designated Commission member such as the Chair or Treasurer and said review documented.
- Auditor could not trace vacation, sick, compensatory leave used, and compensatory leave earned from timesheets to the Pay Types, Deductions, Benefits, and Accruals (PDBA) history on NIS for both pay periods tested. There was no documentation, such as reviewed and approved timesheets, to support leave earnings and usage.

The Commission was not in compliance with State statute or personnel rules and regulations.

We recommend the Commission implement procedures to ensure:

- All employees have personnel files.
- Documentation is maintained in an employee's personnel file to support an Adjusted Service Date different from the Original Hire Date on NIS.
- Employee retirement is withheld as appropriate.
- Timesheets are maintained, and reviewed and approved by an appropriate supervisor.
- Documentation is maintained to support all leave earning and usage.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**7. Leave Balances and Payoff**

Title 273 NAC 10-002 states “Each agency shall maintain an attendance record for each employee, accounting for time worked and all absences from work.”

Title 273 NAC 10-007 states “Up to 5 days funeral leave may be granted to employees for death in the immediate family. For purposes of this section, immediate family shall mean spouse, father, mother, grandfather, grandmother, sister, brother, child, grandchild, spouse of any of these, or someone who bears a similar relationship to the spouse of the employee. Step-persons bearing these relationships are included.”

Neb. Rev. Stat. Section 84-1001(5) R.R.S. 1999 states “Permanent part-time employees shall be eligible for paid holidays on a pro rata basis.”

Neb. Rev. Stat. Section 81-1328 R.R.S. 1999 states “Each employee, upon ... dismissal ... from state employment, shall be paid for unused accumulated vacation leave.”

During our review of the former Executive Director’s termination payout we noted:

- The accuracy of leave balances as recorded on NIS could not be verified to supporting documentation.
- The vacation balance was not paid out upon separation from the State as required by statute.

The former Executive Director did not maintain an attendance record accounting for time worked and all absences from work. The only record certifying the Commission’s payroll was accurate was submitted directly by the former Executive Director to DAS State Accounting, as required in the standard payroll process. As there was no record of time worked or leave usage on file with the Commission, inquiries were made of the former Executive Director for any documentation supporting time worked or leave usage for the audit period. Photocopies of wall calendars for July 2005 to December 2006, and unsigned timesheets for January and February 2007 were provided. Attendance, time worked, and leave usage was not consistently recorded on the documentation provided. Leave usage recorded on NIS was not consistently recorded on the calendars and leave usage recorded on the calendars was not consistently recorded on NIS.

- Vacation leave used in 2006 recorded on NIS (6 hours in June) was not recorded on the calendars provided.
- Sick leave used in 2005 recorded on NIS (3 hours in October and 16 hours in November) was not recorded on the calendars provided.

**COMMENTS AND RECOMMENDATIONS**

(Continued)

**7. Leave Balances and Payoff** (Concluded)

- Sick leave used in 2006 recorded on NIS (8 hours in February, 4 hours in March, 3 hours in May, 3 hours in June, and 2 hours in August) was not recorded on the calendars provided.
- Sick leave used in 2006 recorded on the calendars provided (4 hours in December) was not recorded on NIS.
- Bereavement leave paid of 20 hours in December 2003, 8 hours in July 2006, and 4 hours in January 2007 did not have documentation available to support the former Executive Director's relationship to the deceased.
- Holiday leave paid of 8 hours in May 2004 was incorrect as the former Executive Director was a permanent part-time employee working half-time and should have been paid for 4 hours of holiday leave.

The former Executive Director's final paycheck was dated March 13, 2007, and did not include a payoff of the vacation balance as recorded on NIS. Auditor reviewed the balance recorded on NIS and determined there was not sufficient documentation to support the amount recorded. Auditor did do a detailed review of all of the former Executive Director's pay stubs and recalculated the vacation leave balance for payoff. As stated above, sufficient support was not available for the amounts recorded, and in the absence of adequate support, the calculation was performed using the hours recorded on the pay stubs. The Auditor recalculated balance of vacation leave for payoff based on this information was 152 hours, 3 hours greater than the amount recorded on NIS.

The Commission was not in compliance with State statute or personnel rules and regulations.

We recommend the Commission implement policies to ensure compliance with State statutes and rules and regulations related to employee leave earning and usage. We also recommend the Commission consult the Attorney General and determine the amount of vacation leave to pay out.

*Commission's Response: The vacation balance has not been paid out per the instructions of your office, the accounting office, and the Attorney General's office until it could be ascertained what the appropriate payout was, because the accuracy of the vacation balance could not be verified. The final report will be forwarded to the Attorney General's office, at which time the vacation payout amount will be determined.*



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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### NEBRASKA COMMISSION ON THE STATUS OF WOMEN

#### INDEPENDENT ACCOUNTANT'S REPORT

Nebraska Commission on the Status of Women  
Lincoln, Nebraska

We have examined the accompanying schedules of revenues, expenditures, and changes in fund balances of the Nebraska Commission on the Status of Women (Commission) for the fiscal year ended June 30, 2006, and for the period July 1, 2006, through February 28, 2007. The Commission's management is responsible for the schedules of revenues, expenditures, and changes in fund balances. 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 schedules 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.

In our opinion, the schedules referred to above present, in all material respects, the revenues, expenditures, and changes in fund balances of the Nebraska Commission on the Status of Women for the fiscal year ended June 30, 2006, and for the period July 1, 2006 through February 28, 2007, based on the accounting system and procedures prescribed by the State of Nebraska Director of Administrative Services as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2007, on our consideration of the Nebraska Commission on the Status of Women'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 Commission and the appropriate Federal and regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

May 2, 2007

  
Assistant Deputy Auditor

NEBRASKA COMMISSION ON THE STATUS OF WOMEN  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2006

	General Fund 10000	NCSW Donation Fund 23810	Totals (Memorandum Only)
<b>REVENUES:</b>			
Appropriations	\$ 121,127	\$ -	\$ 121,127
Sales & Charges	15	-	15
Miscellaneous	-	3,052	3,052
<b>TOTAL REVENUES</b>	<u>121,142</u>	<u>3,052</u>	<u>124,194</u>
<b>EXPENDITURES:</b>			
Personal Services	65,313	-	65,313
Operating	45,510	-	45,510
Travel	9,054	-	9,054
Government Aid	800	-	800
<b>TOTAL EXPENDITURES</b>	<u>120,677</u>	<u>-</u>	<u>120,677</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>465</u>	<u>3,052</u>	<u>3,517</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Adjustment to Fund Balance	(450)	-	(450)
Deposit to General Fund	(15)	-	(15)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(465)</u>	<u>-</u>	<u>(465)</u>
Net Change in Fund Balances	-	3,052	3,052
FUND BALANCES, JULY 1, 2005	<u>1,682</u>	<u>537</u>	<u>2,219</u>
FUND BALANCES, JUNE 30, 2006	<u>\$ 1,682</u>	<u>\$ 3,589</u>	<u>\$ 5,271</u>
<b>FUND BALANCES CONSIST OF:</b>			
General Cash	\$ -	\$ 3,589	\$ 3,589
Deposits with Vendors	1,682	-	1,682
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,682</u>	<u>\$ 3,589</u>	<u>\$ 5,271</u>

The accompanying notes are an integral part of the schedule.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
For the Period July 1, 2006 Through February 28, 2007

	General Fund 10000	NCSW Donation Fund 23810	Totals (Memorandum Only)
<b>REVENUES:</b>			
Appropriations	\$ 94,140	\$ -	\$ 94,140
Miscellaneous	-	102	102
TOTAL REVENUES	<u>94,140</u>	<u>102</u>	<u>94,242</u>
<b>EXPENDITURES:</b>			
Personal Services	46,263	-	46,263
Operating	43,186	1,275	44,461
Travel	5,124	-	5,124
TOTAL EXPENDITURES	<u>94,573</u>	<u>1,275</u>	<u>95,848</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(433)</u>	<u>(1,173)</u>	<u>(1,606)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Adjustment to Fund Balance	433	-	433
TOTAL OTHER FINANCING SOURCES (USES)	<u>433</u>	<u>-</u>	<u>433</u>
Net Change in Fund Balances	-	(1,173)	(1,173)
FUND BALANCES, JULY 1, 2006	<u>1,682</u>	<u>3,589</u>	<u>5,271</u>
FUND BALANCES, FEBRUARY 28, 2007	<u>\$ 1,682</u>	<u>\$ 2,416</u>	<u>\$ 4,098</u>
<b>FUND BALANCES CONSIST OF:</b>			
General Cash	\$ -	\$ 2,416	\$ 2,416
Deposits with Vendors	1,682	-	1,682
TOTAL FUND BALANCES	<u>\$ 1,682</u>	<u>\$ 2,416</u>	<u>\$ 4,098</u>

The accompanying notes are an integral part of the schedule.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**NOTES TO THE SCHEDULES**

For the Fiscal Year Ended June 30, 2006, and  
For the Period July 1, 2006, Through February 28, 2007

**1. Criteria**

The accounting policies of the Nebraska Commission on the Status of Women (Commission) 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 the Nebraska State Accounting Manual published by DAS – Accounting Division and available to the public. The financial information used to prepare the schedules of revenues, expenditures, and changes in fund balances for the Commission was obtained directly from 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, 2006, and as of February 28, 2007, includes only those payables posted to NIS before June 30, 2006, and February 28, 2007, and not yet paid as of that date. The amount recorded as expenditures as of June 30, 2006, and February 28, 2007, **does not** include amounts for goods and services received before June 30, 2006, and February 28, 2007, which had not been posted to NIS as of June 30, 2006, and as of February 28, 2007,.

The NIS system does not include liabilities for accrued payroll and compensated absences.

The fund types established by NIS that are used by the Commission are:

**10000 – General Fund** – accounts for all financial resources not required to be accounted for in another fund.

**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.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**NOTES TO THE SCHEDULES**

(Continued)

**1. Criteria** (Concluded)

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

**Appropriations** – Appropriations are granted by the Legislature to make expenditures and to incur obligations. The amount of appropriations reported as revenue is the amount of expenditures.

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

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

**Personal Services** – Salaries, wages, and related employee benefits provided for all persons employed by the Commission.

**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.

**Government Aid** – Payment of Federal and/or State money to governmental subdivisions, State agencies, local health and welfare offices, individuals, etc., in furtherance of local activities and accomplishment of State programs.

Other significant object account codes established by NIS and used by the Commission 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.

**Liabilities** – Legal obligations arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. Accounts payable transactions increase expenditures and decrease fund balance.

**2. State Agency**

The Nebraska Commission on the Status of Women is a State agency established under and governed by the laws of the State of Nebraska. As such, the Commission is exempt from State and Federal income taxes. The schedules include all funds of the Commission.

The Nebraska Commission on the Status of Women is part of the primary government for the State of Nebraska.

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**NOTES TO THE SCHEDULES**

(Continued)

**3. Totals**

The Totals "Memorandum Only" column represents an aggregation of individual account balances. The column is presented for overview informational purposes and does not present consolidated financial information because interfund balances and transactions have not been eliminated.

**4. General Cash**

General cash accounts are under the control of the State Treasurer or other administrative bodies as determined by law. All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State's Investment Council that maintains an operating investment pool for such investments. Interest earned on those investments is allocated to funds based on their percentage of the investment pool.

**5. Going Concern**

2004 Neb. Laws LB 1089, Section 159 eliminated General Fund appropriations for the Commission. 2005 Neb. Laws LB 425, Section 164 reestablished General Fund appropriations for the Commission of \$200,000 each for fiscal years ended June 30, 2006, and June 30, 2007. 2007 Neb. Laws LB 321, Section 168 appropriates \$5,000 each in cash funds for fiscal years ended June 30, 2008, and June 30, 2009. Unexpended General Funds of \$25,000 from fiscal year ended June 30, 2007, are also reappropriated. The reappropriated General Funds are to be used for specified personnel expenditures and necessary travel expenditures. The significant decrease in appropriated amounts and past elimination of General Fund appropriations raises doubt about the Commission's ability to continue as a going concern.

**6. Nebraska Women's Foundation**

The Nebraska Women's Foundation (Foundation) is a component unit of the Nebraska Commission on the Status of Women as defined by the Governmental Accounting Standards Board (GASB). Financial information of the Foundation was not included in the financial schedules of the Commission. Additional information on the Foundation is available from the Commission.

**7. Reconciliation of Bank Records to the Nebraska Information System**

Through their bank reconciliation procedures, DAS State Accounting Division (State Accounting) has identified a large unknown statewide variance between the State Treasurer's bank statements and the State's balances in the general ledger. This unknown variance indicates

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**NOTES TO THE SCHEDULES**

(Continued)

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

the bank records are short as compared to the accounting records. Some adjustments to the accounting records may be needed and may affect the fund balances of the Commission. At this time, it has not been determined how or when adjustments to the accounting records might be made. State Accounting is unable to determine the affect of such adjustment, if any, on the Commission's balances; however, State Accounting believes it will not have a material impact on the Commission's operations.



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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**NEBRASKA COMMISSION ON THE STATUS OF WOMEN  
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN EXAMINATION OF THE  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

Nebraska Commission on the Status of Women  
Lincoln, Nebraska

We have examined the accompanying schedules of revenues, expenditures, and changes in fund balances of the Nebraska Commission on the Status of Women for the fiscal year ended June 30, 2006 and for the period July 1, 2006 through February 28, 2007, and have issued our report thereon dated May 2, 2007. 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 Commission on the Status of Women's internal control over financial reporting in order to determine our procedures for the purpose of expressing our opinion on the schedules 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 Commission on the Status of Women'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 Comment Number 1 (Control Environment).

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 schedules 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 a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nebraska Commission on the Status of Women's schedules of revenues, expenditures, and changes in fund balances, are 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*.

We also noted certain additional items that we reported to management of the Nebraska Commission on the Status of Women in the Comments Section of this report as Comment Number 2 (Supporting Documentation), Comment Number 3 (Pre-audit of Expenditures), Comment Number 4 (Fixed Assets Inventory), Comment Number 5 (Nebraska Women's Foundation Receipts), Comment Number 6 (Payroll), and Comment Number 7 (Leave Balances and Payoff).

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

May 2, 2007

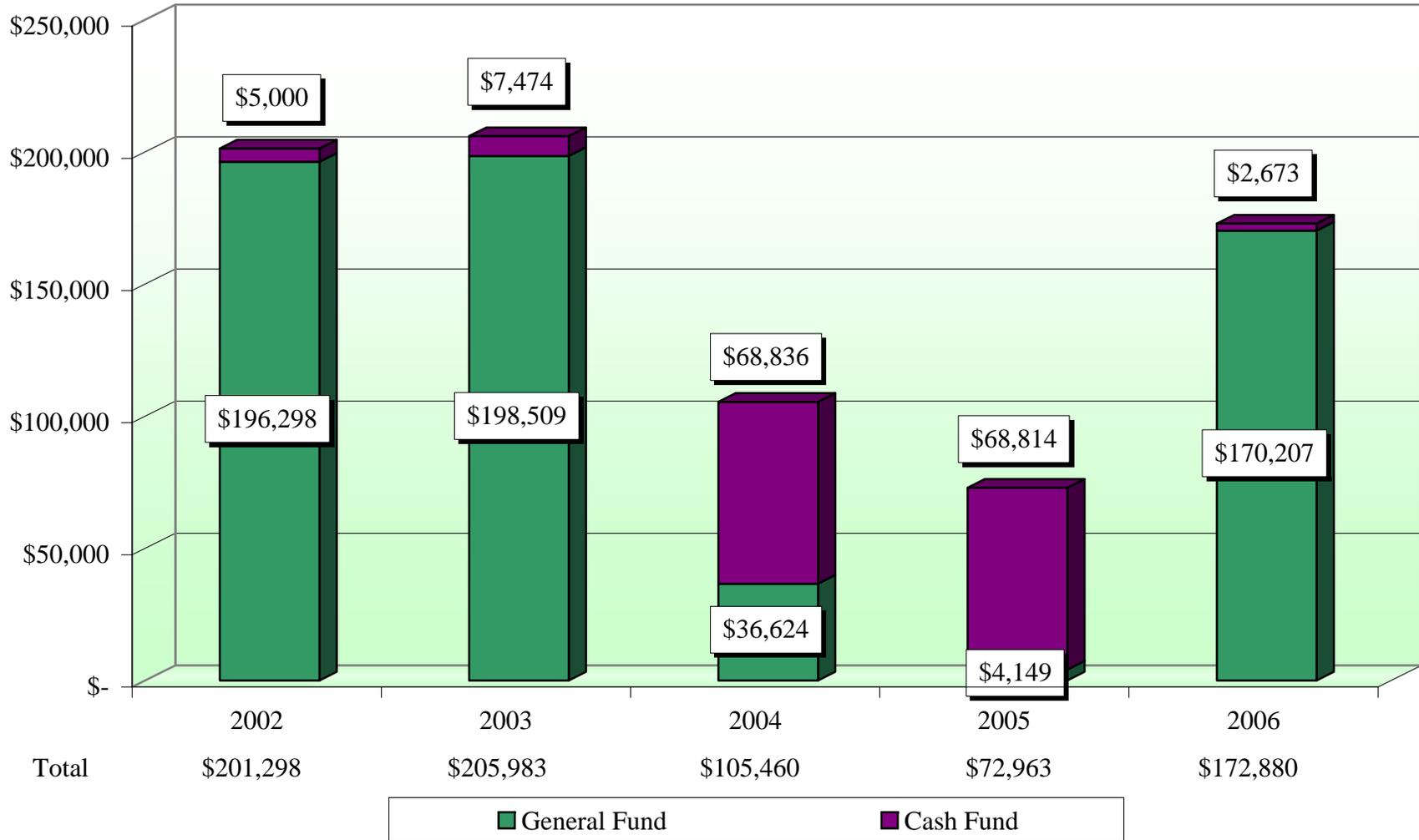
  
Assistant Deputy Auditor

NEBRASKA COMMISSION ON THE STATUS OF WOMEN

**STATISTICAL SECTION**

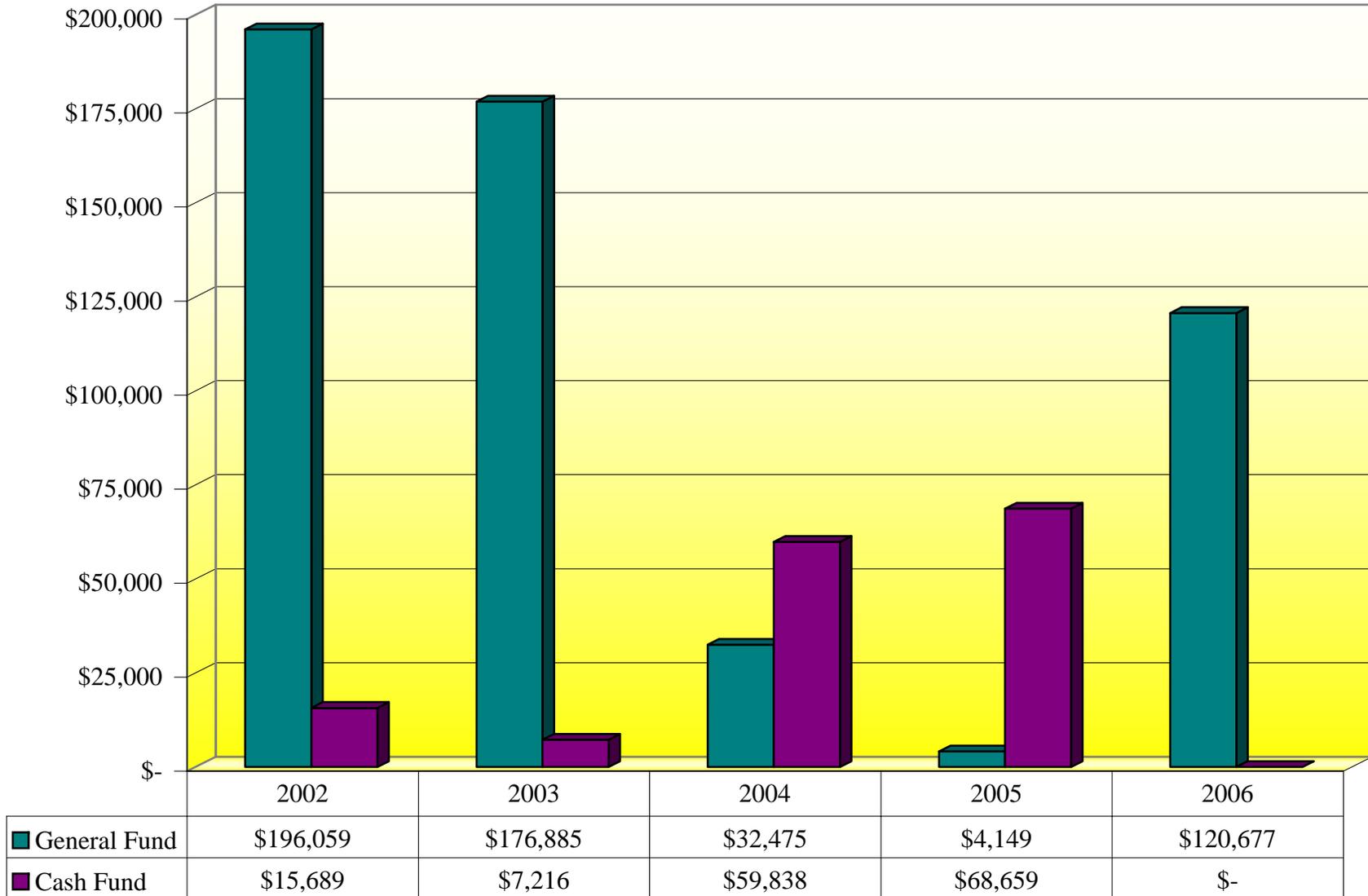
Our examination was conducted for the purpose of forming an opinion on the schedules of revenues, expenditures, and changes in fund balances. Statistical Section information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination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

**NEBRASKA COMMISSION ON THE STATUS OF WOMEN  
APPROPRIATIONS**  
For the Fiscal Years Ended June 30, 2002, Through 2006



Note: The Commission's General Fund budget was cut in fiscal year 2004 and additional general funds were not appropriated for fiscal year 2005. The Cash Fund amount shown consists of donations primarily from the Nebraska Women's Foundation and various other sources. The Commission was appropriated general funds again in fiscal year 2006.

**NEBRASKA COMMISSION ON THE STATUS OF WOMEN**  
**EXPENDITURES BY FUND TYPE**  
 For the Fiscal Years Ended June 30, 2002, Through 2006



**NEBRASKA COMMISSION ON THE STATUS OF WOMEN**  
**EXPENDITURES BY ACCOUNT CATEGORY**  
For the Fiscal Years Ended June 30, 2002, Through 2006

