



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 28, 2008

Rex Amack, Director
Nebraska Game and Parks Commission
2200 North 33rd Street
Lincoln, Nebraska 68503-0370

Dear Mr. Amack:

We have audited the basic financial statements of the State of Nebraska (the State) for the year ended June 30, 2007, and have issued our report thereon dated December 28, 2007. We have also audited the State's compliance with requirements applicable to major federal award programs and have issued our report thereon dated February 13, 2008. In planning and performing our audit, we considered the State's internal controls in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements of the State and on the State's compliance with requirements applicable to major programs, and to report on internal control in accordance with the federal Office of Management and Budget (OMB) Circular A-133 (the Single Audit) and not to provide assurance on internal control. We have not considered internal control since the date of our report.

In connection with our audit described above, we noted certain internal control or compliance matters related to the activities of the Nebraska Game and Parks Commission (the Agency) or other operational matters that are presented below for your consideration. These comments and recommendations, which have been discussed with the appropriate members of the Agency's management, are intended to improve internal control or result in other operating efficiencies.

Our consideration of internal control included a review of prior year comments and recommendations. To the extent the situations that prompted the recommendations in the prior year still exist, they have been incorporated in the comments presented for the current year. All other prior year comments and recommendations (if applicable) have been satisfactorily resolved.

Draft copies of this letter were furnished to the Agency to provide them an opportunity to review the letter and to respond to the comments and recommendations included in this letter. All formal responses received have been incorporated into this letter. Responses have been objectively evaluated and recognized, as appropriate, in the letter. Responses that indicate corrective action has been taken were not verified at this time, but will be verified in the next audit.

The following is our comment and recommendation for the year ended June 30, 2007.

COMMENT RELATED TO THE SINGLE AUDIT

Findings #07-33-01

Program: Various – Reporting

Grant Number & Year: Various

Federal Grantor Agency: U.S. Department of Interior

Criteria: OMB Circular A-133 part 300 requires the State to identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include: the CFDA title and number, award number and year, name of the Federal agency. The State shall also prepare the Schedule of Expenditures of Federal Awards (SEFA) in accordance with section 310 including total Federal awards expended for each individual Federal program and the CFDA number. Good internal control requires procedures to ensure the SEFA is properly presented.

Condition: The Agency did not accurately report Federal expenditures by CFDA. We informed Administrative Services and the Agency of the errors and the SEFA was subsequently adjusted.

Questioned Costs: None

Context: The Agency reports expenditures for the SEFA to Administrative Services. Administrative Services compiles the information for all agencies and reports to the auditor. The amounts reported were as follows:

CFDA #	Amount Initially Reported	Corrected SEFA amount	Variance
15.605	\$11,105,603	\$3,353,252	\$7,752,351
15.611	\$10,045,483	\$3,981,980	\$6,063,503
15.615	\$1,923,472	\$220,155	\$1,703,317
15.622	\$930,692	\$499,848	\$430,844
15.625	\$53,000	\$24,159	\$28,841
15.633	\$3,465,000	\$553,420	\$2,911,580
15.634	\$6,056,660	\$611,875	\$5,444,785

Cause: Inadequate review.

Effect: Noncompliance with Federal regulations.

Recommendation: We recommend procedures be implemented to ensure Federal expenditures are properly reported in accordance with OMB Circular A-133.

Management Response: Expenditures reported were too high. The variance on the SEFA resulted from two issues and two corrective action plans follow:

Corrective Action Plan:

1. Information for the single audit was taken from the wrong column from the federal aid report. The full federal appropriation was reported instead of the federal expenditures. The Corrective Action Plan for this issue is that the Federal Aid staff providing the expenditures will be consulted with prior to completing the CAFR information.
2. Prior year grant expenditures were not included in the CAFR report. The Corrective Action Plan (completed) was to work with the Auditors to set up tracking to include prior year expenditures in the current and future reports.

Contact: Connie Kubat, Budget and Fiscal and Marilyn Tabor, Federal Aid

Anticipated Completion Date: November 2007

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use our knowledge of the Agency and its interaction with other State agencies and administrative departments gained during our work to make comments and suggestions that we hope will be useful to you.

This letter is intended solely for the information and use of the Agency, the Governor and State Legislature, others within the Agency, Federal awarding agencies, pass-through entities, and management of the State of Nebraska. However, this letter is a matter of public record and its distribution is not limited.

We appreciate and thank all of the Agency employees for the courtesy and cooperation extended to us during our audit.



Pat Reding
Assistant Deputy Auditor



Don Dunlap
Assistant Deputy Auditor