



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Mike Foley  
State Auditor

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February 17, 2009

Rex Amack, Director  
Nebraska Game and Parks Commission  
2200 North 33<sup>rd</sup> Street  
Lincoln, NE 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, 2008, and have issued our report thereon dated December 19, 2008. We have also audited the State's compliance with requirements applicable to major Federal award programs and have issued our report thereon dated February 10, 2009. 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 a certain internal control or compliance matter related to the activities of the Nebraska Game and Parks Commission (the Agency) that is presented below for your consideration. This comment and recommendation, which has been discussed with the appropriate members of the Agency's management, is 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 comment 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 comment and recommendation included in this letter. The formal response received has been incorporated into this letter. The response has been objectively evaluated and recognized, as appropriate, in the letter. A response that indicates corrective action has been taken was 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, 2008.

**COMMENT RELATED TO THE SINGLE AUDIT**

**Finding #08-33-01**

**Program:** Various – Reporting

**Grant Number & Year:** Various

**Federal Grantor Agency:** U.S. Department of Interior

**Criteria:** OMB Circular A-133 §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. A similar finding was noted in the prior audit report.

**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:

<b>CFDA #</b>	<b>Amount Initially Reported</b>	<b>Corrected SEFA Amount</b>	<b>Variance</b>
15.605	\$ 6,150,318	\$ 6,063,906	\$ (86,412)
15.611	\$ 4,284,746	\$ 4,012,898	\$ (271,848)
15.634	\$ 1,524,395	\$ 869,492	\$ (654,903)

**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:** The errors resulted from double counting one amount and misinterpreting a couple of grants as direct rather than pass-through. The loss of a staff member just prior to the reporting period contributed to the processing error.

**Corrective Action Plan:** A new staff member has been hired that will take over the primary duties of coordinating the preparation of both the CAFR and SEFA reports for the Agency. Those responsible for the current years report will work with the individual to identify all existing Federal projects to ensure correct CFDA numbers are recorded and tracked within the NIS system and that non-reportable “pass-through” grants are identified and treated appropriately for future reporting efforts.

**Contact:** Becky Tejral, Judy Alderman, and Patrick Cole

**Anticipated Completion Date:** Late January-mid February 2009.

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.

Signed Original on File

Pat Reding  
Assistant Deputy Auditor

Signed Original on File

Don Dunlap  
Assistant Deputy Auditor