

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

NASBO STATE CONVENTION

APRIL 14, 2016



Nebraska State Auditor Charlie Janssen

Accountability, Integrity,
Reliability

Website: <http://www.auditors.nebraska.gov/>
Phone: 402-471-2111

NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

"The Salvation of the State is Watchfulness in the Citizen." H.B. Alexander

Office Responsibilities:

- Conduct audits of State Agencies, County Courts, State Colleges, University of Nebraska, several counties and other local governments. We also conduct the annual audit of Federal funds (Single Audit) and the Comprehensive Annual Financial Report (CAFR) for the State.
- Annually review budgets and audits, or grant audit waivers for over 2,700 local political subdivisions. Information available to the public on our website.
- The Special Audit and Evaluation Unit manages a 'whistle-blower' hotline for anyone to report suspected abuse of government resources. This includes assisting political subdivisions and State agencies with fraud investigations.

WHAT WILL I LEARN TODAY?

- Audit Tips
- What risk areas have been identified by the APA?
- Other Local Subdivision Risk Areas that May Apply to Schools
- Who can I contact if I observe government fraud, waste, or abuse in Nebraska?

AUDIT TIPS

The Nebraska Auditor of Public Accounts Rules and Regulations, NAC Title 41, Chapter 1, Minimum Standards for Political Subdivision Audit Reports Required to Be Filed with the Auditor of Public Account, Section 009, states:

Letter to management. Any separate letter to management regarding internal control, compliance, or other accounting practices or procedures issued in conjunction with or as a result of an audit report filed with the Auditor of Public Accounts must be included with the audit report filing in order for the audit report to be considered complete and acceptable for filing.

This is different than the requirement in the NDE's Rules and Regulations, NAC Title 92, Chapter 1, Rules and Regulations Governing the Audit of Nebraska Public School Districts, Section 003.05:

All school districts shall file with the Commissioner of Education on or before November 5 a copy of the financial (audit) report. All school districts shall file with the Commissioner of Education on or before January 31, a copy of the auditor's letter to management, together with the district's responses, and any responses to compliance issues resulting from the audit. The financial (audit) report for all Class II, III, IV, V, and VI school districts must also be filed with the Auditor of Public Accounts on or before November 5.

Therefore, Districts are required to send the separate letter to management to **BOTH** the APA and the NDE.

STATUTORY AUTHORITY

Neb. Rev. Stat. § 84-304 provides the powers and duties of the Auditor of Public Accounts, including (4)(a) which states:

To examine or cause to be examined, at the expense of the political subdivision, when the Auditor of Public Accounts determines such examination necessary or when requested by the political subdivision, the books, accounts, vouchers, records, and expenditures of any agricultural association formed under Chapter 2, article 20, any county agricultural society, any joint airport authority formed under the Joint Airport Authorities Act, any city or county airport authority, any bridge commission created pursuant to section 39-868, any cemetery district, any community redevelopment authority or limited community redevelopment authority established under the Community Development Law, any development district, any drainage district, any health district, any local public health department as defined in section 71-1626, any historical society, any hospital authority or district, any county hospital, any housing agency as defined in section 71-1575, any irrigation district, any county or municipal library, any community mental health center, any railroad transportation safety district, any rural water district, any township, Wyuka Cemetery, the Educational Service Unit Coordinating Council, any entity created pursuant to the Interlocal Cooperation Act, any educational service unit, any village, any service contractor or subrecipient of state or federal funds, any political subdivision with the authority to levy a property tax or a toll, or any entity created pursuant to the Joint Public Agency Act.

RISK AREAS

The APA audits several local governments each year on a rotational basis.

Additionally, the APA has a toll-free phone number and an anonymous email address for taxpayers to report potential fraud, waste, or abuse of public funds. As a result, the Auditor of Public Accounts also initiates preliminary audit planning procedures at various entities, including School Districts, to determine whether the Auditor of Public Accounts should conduct an audit.

While the APA can audit a School at any time, we are aware that Districts are already required to be audited annually, so in many cases, the information we receive does not result in a full audit, but helps to identify internal control or compliance issues that should be addressed.



RISK AREAS

Overall

Adequate segregation of duties over key accounting functions or controls to compensate for a lack of segregation of duties.

Documented reviews (initials or signatures) to prove that independent reviews are performed.



Receipt Processes

Documented review of amounts deposited compared with the initial listing of amounts received to ensure all monies received were deposited.

Endorsing checks immediately upon receipt.

Documented review by a second individual of the amounts billed by District (invoices) to ensure the accuracy of amounts billed and the accuracy of amounts recorded in the accounting system.



RISK AREAS

Payroll

Pay only for time actually worked and not in advance of the work being performed.



Capital Assets

Establishment of formal capital asset policies regarding the types and dollar value of items that should be added to the listing.

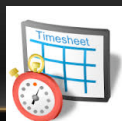


RISK AREAS

Federal Funds

Payroll funds charged to Federal grants have to comply with Federal regulations, in particular, OMB Circular A-87, Attachment B, § 8(h) which states that salaries and wages have to be supported by periodic certifications that employees solely worked on the program covered by the certification.

For employees who work on multiple activities or cost objectives, a distribution of salaries and wages should be supported by personnel activity reports or equivalent documentation, that reflects after-the-fact distribution of actual activity (not budgeted), must be completed monthly or to coincide with one or more pay periods, and must be signed by the employee.



RISK AREAS

Reporting Annual Full-Time Equivalent of Special Education Paraprofessionals to NDE on the FFR for School Age Students



The NDE has promulgated Rule 51 for School Age Special Education Reimbursement Program regulations and standards. Title 92 MAC 51, Section 10, governs the qualification of special education personnel for Program approval and reimbursement. Section 11 describes the Program reimbursement process.

http://www.sos.ne.gov/rules-and-reps/regsearch/Rules/Education_Dept_of/Title-92/Chapter-51.pdf

The District tested did not properly report the FTE and salaries for special education services to the NDE for the 2013-2014 school year. The APA requested documentation to support the FTE for each staff member reported. The District provided a time and effort report signed by the Superintendent. For two individuals, amounts reported on the FFR did not agree to documentation provided, so the APA requested additional documentation, such as the staff work calendars or daily schedules to support the time worked. That documentation was not maintained by the District.

RISK AREAS

Reporting Annual Full-Time Equivalent of Special Education Paraprofessionals to NDE on the FFR for School Age Students

Concerns were also raised on whether "intervention" services should be considered special education services. At this District, paraprofessionals participate in intervention groups with regular education students who may need the same level of intervention as a special education student. An NDE representative provided the following explanation:



[T]his "Intervention" appears to be an activity that is "General" education, not "Special" education. This is probably an activity that is helping "at-risk" students that need additional help which is not reimbursable with special education funding. At-risk services are available to all students and just because a student has been identified as "Special Education" would not make it all/portion allowable for reimbursement. All the kids would be getting the same instruction.

The NDE representative offered this further observation:

Special education reimbursement is based on an excess cost principle, the cost has to be over and above the "regular" education cost would be and required due to the students disability (as identified by the students IEP- Individual Education Plan).

The NDE representative explained that the NDE would expect to see calendars or a fixed schedule to supplement the time reported on the FFR.

RISK AREAS

No other compensation for services

One School Board approved a policy that allowed computers supplied to Board members to be kept by the Board member after the member served a minimum of one full, four year term.

Neb. Rev. Stat. § 79-520 states, in relevant part (for Class III Districts), "No member of the board, except the secretary, shall accept or receive any compensation for services performed in discharging the duties of his or her office."

Furthermore, 49-14,101.01 states, as relevant:

- (1) A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated.
- (2) A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.



RISK AREAS

Petty Cash Funds

Must have written policies for the use of Petty Cash funds

The amount on hand plus the receipts supporting the expenditures from the fund should equal the authorized amount of the petty cash fund.

A second individual should review the documentation to support the purchases made using the petty cash fund to ensure the purchases are allowed and supported by adequate documentation.

Should review accounting records for any transactions coded to Petty Cash to make sure those amounts are truly petty cash reimbursements.



RISK AREAS

Credit Cards

Neb. Rev. Stat. § 13-610 governs purchasing card programs implemented by political subdivisions and provides, in relevant part:

An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

The Board should also have written policies for the use of credit cards or purchasing cards and should include provisions for users to maintain and submit itemized receipts for all purchases.



RISK AREAS

Credit Cards

The biggest problem we see is that credit card transactions have been unsupported – that is there is not a receipt to show what was purchased or the receipt is not itemized – it is only the credit card copy of the receipt, which does not provide adequate information to determine the nature of the purchase. In one District, nearly half of the credit card receipts were not properly documented.

School Boards should ensure there is an independent review of credit card transactions by someone other than the individuals authorized to make credit card purchases.

Adequate documentation should be provided to the Board at each meeting to provide assurance that all credit card transactions are appropriate.

Additionally, in most instances sales taxes are being paid on credit card or point of sale purchases, of which Districts are exempt.

RISK AREAS

One example of information provide to the School Board on credit card purchases:

AMERICAN EXPRESS
March 11, 2013
Robotics rooms for state
Robotic parts
Exit lights
Gas
Science supplies
Robotic registration
Supervisor dist wrestl room

NOT ADEQUATE!!!!

RISK AREAS

Board Approval of All Expenditures

We have seen some Districts who utilize bank accounts that are separate from the General Fund, for example. These accounts were used to provide the District with an alternative method for making payments that would generally be authorized by the Board. The payments from these account are authorized by the Superintendent but are not approved by the Board prior to payment. Only summary level information on the payments was provided to the Board.

We have also seen instances in which only summary level information is provided to the Board and the Superintendent or the book keeper is signing the checks, including in funds such as the Activity Funds, Lunch Funds, Scholarship Funds, etc.

Neb. Rev. Stat. § 79-526, the Board is ultimately responsible for ensuring the necessity of the District's expenditures.

The School board or board of education of a Class I, II, III, IV or VI School district has responsibility for the general care and upkeep of the schools, shall provide the necessary supplies and equipment . . .



RISK AREAS

Example of this type of separate account:

SELECTED Data						
Current Outstanding Checks Report						
Bank ID	Bank Name	Origin	Description	Vendor ID	Vendor Name	Amount
Date	Number					
General Fund						
12/15/2012	00020368	AP	REPAIR	A-1REFR	A-1REFRIGERATION	733.19
12/15/2012	00020369	AP	Dec 2012 payroll	AFLAC	AFLAC	733.12
12/15/2012	00020360	AP	TRAVEL	AMERICAN EXPRESS	AMERICAN EXPRESS	1,793.78
12/15/2012	00020361	AP	CUST SUPPLIES	AMSCAN	AMSCAN	201.45
12/15/2012	00020362	AP	COMPUTER HARDWARE	APPLE INC	APPLE INC	2,279.00
12/15/2012	00020363	AP	DISTANCE LEARNING	ASSENTUS	ASSENTUS	222.14
12/15/2012	00020364	AP	COMPUTER HARDWARE	AVTECH	AVTECH SOFTWARE INC	160.43
12/15/2012	00020365	AP	INSPECTION	BAMFORD INC	BAMFORD INC	263.00
12/15/2012	00020366	AP	Dec 2012 payroll	BLUEBIRD	Blue Cross/Blue Shield Of Ne	58,593.87
12/15/2012	00020367	AP	GRAVEL	BROADFOOT	BROADFOOT'S SAND & GRAVEL	410.00
12/15/2012	00020368	AP	SUPPLIES	CASH	CASH-WA DISTRIBUTING	133.40
12/15/2012	00020369	AP	DISTANCE LEARNING	CHARTERED	CHARTERED COMMUNICATIONS	732.41
12/15/2012	00020370	AP	BUS SUPPLIES	CHEMSEARCH	CHEMSEARCH	458.00
12/15/2012	00020371	AP	SERVICES	CITYOFIA	CITY OF IAWENNA	518.08
12/15/2012	00020372	AP	Dec 2012 payroll	COLLUPPE	COLLUPPE LIFE & ACCIDENT INS	21.15
12/15/2012	00020373	AP	LAPTOP SCREEN	COMPHARD	COMPHARD COMPUTER HARDWARE INC	218.00
12/15/2012	00020374	AP	SALT	CULLIVATE	CULLIVATE OF KEARNEY	107.50
12/15/2012	00020375	AP	SOFTWARE LICENSE	DIGITAL	DIGITAL RIVER EDUCATION	3,640.30
12/15/2012	00020376	AP	COPIES	EAGLE	EAGLE OFFICE PLUS	2,072.90
12/15/2012	00020377	AP	SERVICES	ECOLAB	ECOLAB	60.00
12/15/2012	00020378	AP	SPRINT	ESU	ESU-PTD	16,002.83
12/15/2012	00020379	AP	Dec 2012 payroll	FARMISURE	Farm Bureau Financial Service	507.44
12/15/2012	00020380	AP	DEBELL/ASST/RE/INE	FARMISURE	FARMISURE CO-OPERATIVE ASSOC	4,679.07
12/15/2012	00020381	AP	HYDRAWELL	FORDWELL	FORDWELL WELL SERVICE	110.00
12/15/2012	00020382	AP	Dec 2012 payroll	FRANKLIN	FRANKLIN TEMPLETON TRUST	507.44
12/15/2012	00020383	AP	TRAVEL/REGISTRATION/ED	GENERAL FLD	GENERAL FLD TRU 384-419	4,843.18

RISK AREAS

Local Government Miscellaneous Expenditure Act
Neb. Rev. Stat. § 5-13-2201 to 13-2204

Section 13-2203(1)(a) of the Act requires expenditures of the District to be "actual and necessary," as follows:

In addition to other expenditures authorized by law, each governing body may approve . . . [the expenditure of public funds for the payment or reimbursement of actual and necessary expenses incurred by elected and appointed officials, employees, or volunteers at educational workshops, conferences, training programs, official functions, hearings, or meetings, whether incurred within or outside the boundaries of the local government, if the governing body gave prior approval for participation or attendance at the event and for payment or reimbursement either by the formal adoption of a uniform policy or by a formal vote of the governing body. (Emphasis added.)]

NADC's Guideline to the Use of Public Funds by Cities and Villages

- *No alcohol purchases with public funds
- *Can not pay for travel or expenses of spouses with public funds
- *Can not provide flowers for memorials with public funds
- *Can not use public funds to pay for holiday parties or other social functions for employees
- *Can not use money received from vending machines on School property for holiday parties or similar events. These are public funds.



RISK AREAS

Food Purchases

Section 13-2203(2) of the Local Government Miscellaneous Expenditures Act permits public funds to be expended for food under the following circumstances:

- (a) Nonalcoholic beverages provided to individuals attending public meetings of the governing body; and
- (b) Nonalcoholic beverages and meals:
- (i) Provided for any individuals while performing or immediately after performing relief, assistance, or support activities in emergency situations, including, but not limited to, tornado, severe storm, fire, or accident;
- (ii) Provided for any volunteers during or immediately following their participation in any activity approved by the governing body, including, but not limited to, mowing parks, picking up litter, removing graffiti, or snow removal;
- (iii) Provided at one recognition dinner each year held for elected and appointed officials, employees, or volunteers of the local government. The maximum cost per person for such dinner shall be established by formal action of the governing body, but shall not exceed twenty-five dollars. An annual recognition dinner may be held separately for employees of each department or separately for volunteers, or any of them in combination, if authorized by the governing body.



RISK AREAS

From the NADC's Guideline to the Use of Public Funds by Cities and Villages

Question #1 - Is a city official permitted to use public funds to purchase meals for officials or staff?

Response - Under certain circumstances, yes. The Local Government Miscellaneous Expenditure Act provides that public funds may be spent for meals under the following circumstances:

- a) If the meal is part of the actual and necessary expenses incurred by the official or employee at educational workshops, conferences, training programs, official functions, hearings or meetings (whether within or without the municipal limits). The governing body must give approval prior to the expense being incurred either by formal vote or by the adoption of a uniform policy.
- b) Meals and nonalcoholic beverages may be provided to individuals while performing or immediately after performing relief, assistance, or support activities in emergency situations including tornado, severe storm, fire, accident, etcetera.

The governing body may not expend public funds for meals of paid members of a governing body provided while the members are attending a public meeting of the governing body unless the meeting is a joint public meeting with one or more other governing bodies.

RISK AREAS

Contract Requirements from Nebraska Political Accountability and Disclosure Act

Specific requirements upon contracts between a business associated with a public official or public employee and a government body.

Neb Rev. Stat. § 49-14,102:

(1) Except as otherwise provided by law, no public official or public employee, a member of that individual's immediate family, or business with which the individual is associated shall enter into a contract valued at two thousand dollars or more, in any one year, with a government body unless the contract is awarded through an open and public process.

(2) For purposes of this section, an open and public process includes prior public notice and subsequent availability for public inspection during the regular office hours of the contracting government body of the proposals considered and the contract awarded.



RISK AREAS

Compliance with Neb. Rev. Stat. § 79-575

The secretary of a school district shall draw and sign all orders upon the treasurer for all money to be disbursed by the district and all warrants upon the county treasurer for money raised for district purposes or apportioned to the district by the county treasurer and shall present the same to the president to be countersigned. No warrant, check, or other instrument drawn upon bank depository funds of the district shall be issued until so countersigned. No warrant, check, or other instrument drawn upon bank depository funds of the district shall be countersigned by the president until the amount for which it is drawn is written upon its face. Facsimile signatures of board members may be used, and a person or persons delegated by the board may sign and validate all warrants, checks, and other instruments drawn upon bank depository funds of the district.



OTHER LOCAL SUBDIVISION RISK AREAS



COLLEEN LAWRY, FORMER GRETNA CITY ADMINISTRATOR

- In April 2012, the APA sent a letter to the City of Gretna regarding several questionable purchases on the City credit card.
- In December 2012, Colleen Lawry was sentenced to the following:
 - Six months in Jail
 - Two years probation
 - 100 hours of community service in Gretna
 - \$3,000 in fines

COLLEEN LAWRY, FORMER GRETNA CITY ADMINISTRATOR

Sarpy County District Judge David Arterburn also ordered her to write a letter to the citizens of Gretna. In March 2013, the following apology appeared on the front of the Gretna Breeze:

"Citizens of Gretna: In December of 2012, I was convicted of theft and official misconduct. I used the City's credit card for personal purchases. It was entirely wrong of me to utilize the City's credit as my own. I am truly sorry for my transgressions which lacked both honor and integrity. My actions caused anger, pain and mistrust throughout Gretna. I apologize to you and ask for your forgiveness. Sincerely, Colleen K. Lawry Former Gretna City Administrator"


SOME OF WHAT SHE GAVE UP

- Base Salary of \$90,184
- 100% of premiums for health insurance and 85% for dependents
- Premium for life insurance @ 1 times salary
- Sick and personal leave accrued at the highest rate provided to any other employee
- Compensation for all accrued vacation time
- Participation in the City of Gretna retirement plan @ 6% paid by the City
- Professional dues paid
- A laptop, tablet, and any other associated software required to do the job
- Smart phone or personal daily assistant with full unrestricted use
- Unrestricted use of the 2009 Chrysler Sebring LX Sedan
- Gas for the City car

WHO CAN YOU GUESS WHAT THIS IS?


RED FLAGS

- If unable to provide a receipt, City employees were allowed to complete a “no receipt” form. The APA identified 38 instances where the City Administrator did not provide receipts but filled out the no receipt form totaling \$1,784.
- The APA also identified 50 credit card transactions by the City Administrator where the receipt was not itemized totaling \$2,918.
- At least 31 times, the City Administrator charged personal items to the City credit card and later wrote a check to the credit card company totaling \$5,074.



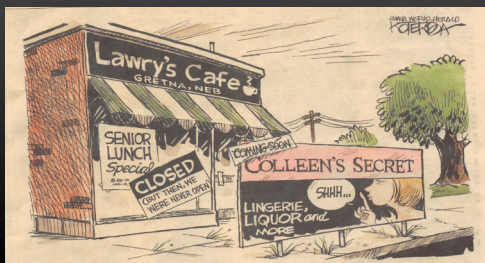
RED FLAGS

- In October 2011, 18,916 gallons were purchased at the Pump and Pantry in Gretna. However, the 2009 Sebring only had a 16.9 gallon tank?!? Also, 13.8 gallons had been purchased the day before?!?
- The APA also identified 12 instances totaling \$805 in which uniforms were purchased for the City Administrator from: Van Heusen, TJ Maxx, Marshalls, JCPenney, and Stein Mart.



CITY OF GRETNA RESULTS

- APA turned our letter over to the Nebraska State Patrol for further investigation.
- Colleen Lawry was arrested and fired a week after the letter was issued for allegedly taking anywhere from \$500 to \$1,500 from the Gretna Senior Citizen Fund.
- The organization looked into their balances after the letter was issued by the APA. They found \$11 instead of the \$900 that should have been in it.
- <http://www.ketv.com/news/Gretna-city-administrator-fired-arrested/12435688>



CASE STUDY #4

- Who believes they are a dedicated hard worker?
- Is there anyone who has not taken a day of sick, vacation, or personal day in the last 3 years?

DUNDY COUNTY HIGHWAY SUPERINTENDENT

- On June 10, 2014, the APA sent a letter to Dundy County regarding questionable overtime, hours worked and scrap metal sales by Mike Edwards, Dundy County Highway Superintendent.
- Mr. Edwards resigned on June 16, 2014

	2013 Pay			2012 Pay		
	Hours	Rate	Total	Hours	Rate	Total
Regular Pay	1872	\$15.70	\$29,390.40	2080	\$15.70	\$32,656.00
Regular Pay	208	\$16.20	\$3,369.60			\$0.00
Bonus Pay			\$1,500.00			\$1,500.00
Highway						
Superintendent Pay			\$2,400.00			\$0.00
Total			\$36,660.00			\$34,156.00
Gross Pay			\$62,720.00			\$57,800.20
Overtime			\$25,660.00			\$23,644.20

RED FLAGS

- Not required to use County's time clock as required by all other employees. When asked why not, he said a Board member had told him he did not need to.
- Overtime hours paid from 7/1/2012 through 2/28/2014 for highway department.

Department Employees	Overtime Hours Paid
Michael Edwards, Supt.	1,763
Nicholas Ohrman	19
John Ohrman	12
Richard Fries	10
Gary Bernard	9
Richard Dewester	8
Todd Pankonin	8
Brandon Sanford	6
Austin Davis	0
Anthony Wonderly	0
Kenny McDonald	0



DUNDY COUNTY 2013 DECEMBER MIKE EDWARDS						
DATE	reg. Hrs worked	O.T.	TOTAL HRS	vac used	sick used	OT approved
12/01/13	8	2	10			
12/02/13	8	2	10			
12/03/13	8	2	10			
12/04/13	8	2	10			
12/05/13	8	2	10			
12/06/13	8	2	10			
12/07/13		10	10			
12/08/13		4	4			
12/09/13	8	2	10			
12/10/13	8	2	10			
12/11/13	8	2	10			
12/12/13	8	2	10			
12/13/13	8	2	10			
12/14/13		6	6			
12/15/13		5	5			
12/16/13	8	2	10			
12/17/13	8	2	10			
12/18/13	8	2	10			
12/19/13	8	2	10			
12/20/13	8	2	10			
12/21/13		10	10			
12/22/13		4	4			
12/23/13	8	2	10			
12/24/13	8	2	10			
12/25/13	8	2	10			
12/26/13	8	2	10			
12/27/13	8	2	10			
12/28/13		6	6			
12/29/13						
12/30/13	8	2	10			
12/31/13	8	2	10			



RED FLAGS

- In 2013, paid overtime hours in 348 of 365 days.
- Recorded working every single day from 1/7/2013 through 8/3/2013, with the exception of 1 day (208 of 209 straight days).
- From 6/6/2011 through 3/8/2014, never recorded a day of sick or vacation leave.



RED FLAGS

- Recorded working all but two County holidays in 2013. No other Department employees worked on these holidays.

County Holiday	2013 Hours
New Year's Day	0
Martin Luther King, Jr. Day	10
President's Day	10
Arbor Day	10
Memorial Day	10
Fourth of July	10
Labor Day	0
Columbus Day	8
Veterans' Day	10
Thanksgiving Day	10
Day after Thanksgiving Day	10
Christmas Day	10
Totals	98

RED FLAGS

- Other allegations regarding scrap metal sold in Kearney, NE.
- From 1/1/2012 through 1/31/2014, he sold over 22,000 pounds of "personal" scrap totaling \$2,249 while the County Department only sold \$203.
- He said it was personal scrap from grandmother and mothers farmsteads.
- None of the County scrap was inventoried or locked up.

WOULD YOU QUESTION?

Purchase History COLUMBUS METAL Fax:308-231-4317 Feb 28 2014 03:28pm P031/001 02/28/2014 3:18:00 PM

Purchase History Register

Name Contains "MIKE" and "EDWARDS"
Account Sequence: Detail Report Total UM

Account	Name	City	State	Acct Trlr
COMMODITY	Description			
Buyer	Rev Date	Yr	Trl	Invoice
Inv Date	Period	Reference	Contract	
Net Ltr	Price / UM	Amount		

BECKLER CASH

ITEM	QTY	UNIT	PRICE	AMOUNT
780010	1000.00	LB	1.00	1000.00
780043	11000.00	LB	0.18	1980.00
Commons Total:				2980.00
780010	1000.00	LB	1.00	1000.00
780043	11000.00	LB	0.18	1980.00
Commons Total:				2980.00
780010	1000.00	LB	1.00	1000.00
780043	11000.00	LB	0.18	1980.00
Commons Total:				2980.00
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780043	11000.0			

RISK AREAS WE ALWAYS LOOK AT

- Credit/debit card purchases
- Petty cash
- Payroll – Extra paychecks, paying spouse, overstating hours.
- Bank statements as compared to Accounting records.

FRAUD AND OTHER RESOURCES USED

- *LexisNexis Accurint* – Direct background check of individuals including bankruptcies, civil cases, address history, and assets.
- *JUSTICE* - The Nebraska Trial Courts Case System which offers online access to court case records involving civil, criminal, or traffic cases.
- *GuideStar* – Used to obtain IRS form 990s and other pertinent information regarding Not-for-Profit entities.
- *EnterpriseOne* – Nebraska State Accounting System.
- *Nebraska Legislature Website* – Nebraska bill and law search.
- *Nebraska Secretary of State* – Corporate and business search of those doing business in Nebraska.
- *ACL* – Audit management software.

NEW LEGISLATION

Legislative Bill 539 was signed by the Governor on May 27, 2015, and is now in effect. You can find the Legislative Bill at http://nebraskalegislature.gov/bills/view_bill.php?DocumentID=24758

Legislative Bill 539 affects public entities in that it:

• Clarifies that the Auditor of Public Accounts shall have access to any and all information and records, confidential or otherwise. Public entities are now required to produce requested information or records, or respond with a valid legal or administrative reason for failing to do so, within 3 business days. While additional time *may* be granted for particularly difficult or extensive requests, all of the information and records must be provided no later than 3 weeks from the request. All confidential records remain confidential. Any person who willfully fails to comply, or who otherwise willfully hinders or obstructs an audit or examination, including by attempting to mislead an auditor, shall be guilty of a Class II misdemeanor.

• Allows APA to issue subpoenas and conduct depositions when necessary. In case of disobedience, the district court of Lancaster County or the judge thereof, shall compel obedience. If a witness refuses to testify, the Auditor of Public Accounts may request a court order.

• Provides protection for whistle blowers against personnel actions, making employer retaliation punishable as a Class II misdemeanor, and specifies that working papers identifying a confidential whistle blower are not open to the audited entity.

• Clarifies and expands the listing of entities to be examined/audited to include community redevelopment authorities, any entity created pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act, and any service contractor or subrecipient of state or federal funds. The new law defines service contractor or subrecipient to mean "any nonprofit entity that expends state or federal funds to carry out a state or federal program or function" but not "an individual who is a direct beneficiary of such a program or function or a licensed health care provider or facility receiving direct payment for medical services provided for a specific individual."

WHO TO CONTACT



Nebraska Auditor of Public Accounts Hotline: 1-800-842-8348 or complete the anonymous email form on our website.

www.auditors.nebraska.gov/About_Us/SAE_E-Mail.html

QUESTIONS?!?

Website: <http://www.auditors.nebraska.gov/>

Phone: 402-471-2111

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Rachel Heeney, CFE - Auditor in Charge

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