



KATE WITEK, AUDITOR OF PUBLIC ACCOUNTS  
STATE CAPITOL, SUITE 2303  
LINCOLN, NEBRASKA 68509

**Audit Report of the  
Nebraska Department of Property Assessment and Taxation  
July 1, 1999 Through June 30, 2000**

## Report Highlights

### Comments and Recommendations

- Inadequate Billing Procedures
- Internal Control Concerns Regarding Fixed Assets
- Unsupported Leave Usage

The Department of Property Assessment and Taxation was created by the Legislature in 1999. The Property Tax Administrator is the Department's chief executive officer. The duties of the Department were previously handled by the Property Tax Division of the Department of Revenue. To date, the Department performs the property tax assessment function for nine counties. This function was previously performed by the nine counties.

Our report included three Comments and Recommendations outlining concerns relating to billing procedures and leave usage as well as several problems relating to fixed assets. The Comments and Recommendations were based upon auditing standards relative to internal controls and compliance with State and federal laws. Specific areas of concern included:

- ◆ Billing procedures were not in place to ensure all money due the State was being collected.
- ◆ Employee leave was not supported by leave request forms.
- ◆ The Department had not adopted a fixed asset policy.
- ◆ An annual physical inventory had not been completed and the results had not been reported to the Materiel Administrator.
- ◆ The Department deposited proceeds from the sale of surplus property into the Department's Cash Fund when the original funding source could not be determined.
- ◆ No additions were made to the fixed asset inventory listing during the fiscal year even though the Department incurred more than \$230,000 in capital outlay expenditures.

A short summation of the report Recommendations is as follows:

- Review procedures should be implemented to ensure a complete and timely follow-up on all collections.
- Request forms should be used for all employee leave, and written approvals should be filed in a timely manner.
- A fixed asset policy should be adopted, an annual physical inventory should be completed, surplus property proceeds should be deposited properly, additions and deletions to the inventory listing should be processed in a timely manner, and an independent and periodic review of history reports should be conducted.

We have detailed our findings in the Comments and Recommendations section of the report. See our website at [www.nol.org/home/auditor/index.html](http://www.nol.org/home/auditor/index.html).



