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**Advisory Report of the
Nebraska Health And Human Services System
Child Support Enforcement Program
For Fiscal Year Ended June 30, 2000**

Report Highlights

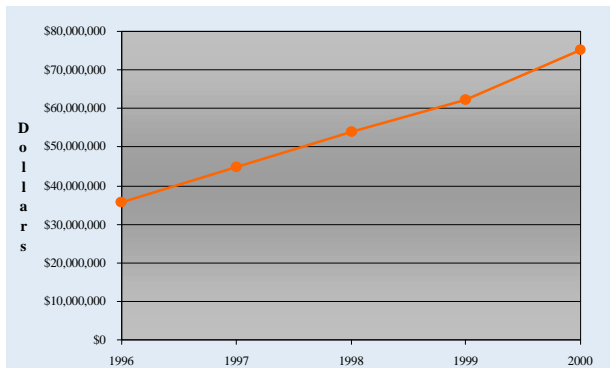
Comments and Recommendations

- Incentive Funds
- Reported Expenditures
- CHARTS Deficiencies
- Case Compliance
- Internal Control Over Collections
- Untimely Distribution of Collections
- Contractual Services
- Reimbursements to Counties
- Inadequate Supporting Documentation
- Noncompliance With OMB Circular A-87
- Equipment Not Coded as Capital Outlay

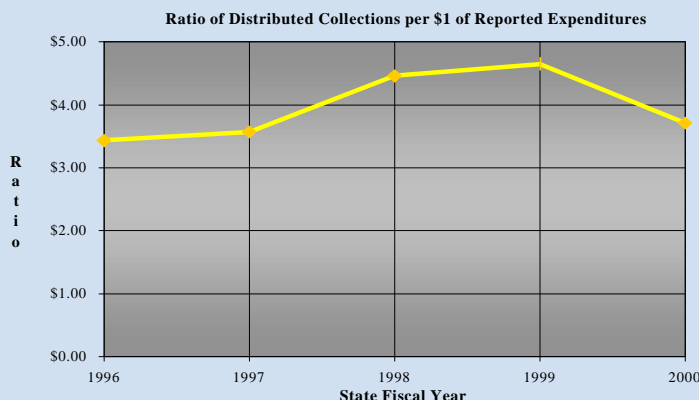
The Child Support Enforcement Program (CSE) is administered by the Nebraska Health & Human Services System (HHS) pursuant to Title IV-D of the federal Social Security Act. CSE services include locating noncustodial parents, establishment of child support and medical support orders, enforcement of child support and spousal support orders, and the review and modification of court orders.

Our report included eleven Comments and Recommendations outlining various concerns relating to case management, collections, distribution of collections, and payments to counties, as well as procedures relating to accounting, reporting, contracting, and payroll. The Comments and Recommendations were based upon auditing standards relative to internal controls, or compliance with federal regulations. Specific areas of concern included:

- An improper accounting of State incentive payments resulted in an \$8.4 million liability balance. The incentive payments should have been used to offset the State match for administrative costs of the program.
- HHS over-reported more than \$10 million in CSE expenditures to the federal government. Also, federal monies expended did not agree to federal expenditures reported. Federal expenditures per the Nebraska Accounting System were approximately \$750,000 more than the amount reported.



To date, the costs of the CHARTS project have exceeded \$75 million.



The ratio of distributed collections per expenditures decreased from \$4.65 to \$3.71

- CHARTS was unable to provide data at the county level. Therefore, the counties have not been paid their share of incentives for State fiscal year 2000.

- HHS was not in compliance with federal regulations for 15 of 85 IV-D cases tested.

- Collections for June through November 1999, which were due to aid programs for reimbursement, were not distributed until January 2000.

- Two service agreements tested were not supported by signed contracts, and six contracts tested did not include limitations on the total cost to the State.

We have detailed our findings in the Comments and Recommendations section of the report.

