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Audit Report Highlights of the Nebraska Department of Motor Vehicles July 1, 1999 through June 30, 2000

Report Highlights

Comments and Recommendations

- Vehicle Titling and Registration System
- International Fuel Tax Agreement
- Undercover Plates
- Fees Charged
- Reconciliation of Distributive Funds to NAS
- Motor Carrier Programmer Access to Live Data
- Lack of Segregation of Duties
- Inadequate Control Over Receipts
- Internal Control over Payroll
- Fixed Assets

The Department of Motor Vehicles (Department) administers laws pertaining to motor vehicle drivers and the operation of motor vehicles. The Department was organized during our audit period into nine major divisions: Administration, Motor Carrier Services, Titles and Registrations, Driver Records, Financial Responsibility, Examining, Information Systems, Legal, and Office of Highway Safety.

Our audit report included ten Comments and Recommendations outlining various concerns relating to internal controls and compliance with State laws. Specific areas of concern included:

- Three of ten comments from our May 1997 advisory letter still had not been resolved, resulting in serious internal control weaknesses. Department support staff and Department of Administrative Services Information Management Services (IMS) programmers continued to have supervisor access to certain computer systems. In addition, IMS still had not developed a written disaster recovery plan for the county AS/400 systems.
- The Department was not meeting International Fuel Tax Agreement total audit number requirements and high-distance audit requirements.
- During our audit of the Department's undercover plate processing procedures, we noted three sections of the statutes with which the Department was not in compliance.
- During our review of receipts generated by the Department, we noted the Department's accounting system was not designed to determine the cost of providing services for specific receipts generated.
- We noted there was no reconciliation of the distribution of registration fees and fuel tax fees between the Motor Carrier system and the Nebraska Accounting System.
- A programmer in the Motor Carrier Division had access to live data (data in production), allowing him to change data after it had been entered and verified.
- In the Financial Responsibility Division, one person could receipt the money, process the transaction, and prepare the deposit.

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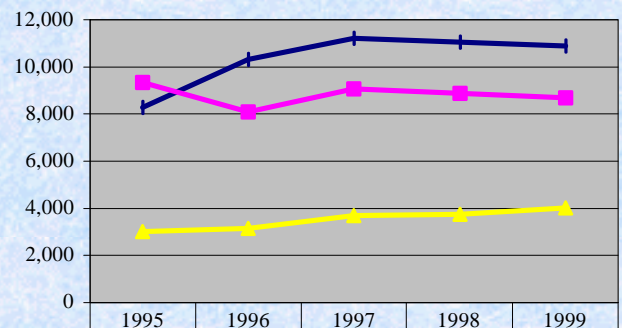
- In the Titles and Registration Division, there was a lack of segregation of duties in the receipt process, and cash register tape totals were not used in the preparation of the deposits.

- In our testing of payroll, we noted errors in calculations of sick or vacation leave, a final paycheck calculation, and holiday pay, and a lack of substantiating evidence regarding excessive leave usage.

- During our review of the Department's internal control procedures over fixed assets, we noted there was a lack of segregation of duties.

We have detailed our findings and the Department's responses in the Comments and Recommendations section of the report. See our audit report at www.auditors.state.ne.us.

Administrative License Revocations



	1995	1996	1997	1998	1999
Administrative License Revocation (ALR) Reports Filed	8268	10330	11217	11048	10881
ALR Revocations	9351	8091	9068	8869	8696
ALR Hearings Held	3014	3138	3698	3748	4026