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**Advisory Letter for**  
**Douglas County Information Services**  
**For the Period July 1, 2000 through December 31, 2001**

## **Report Highlights**

*Issued March 19, 2002*

The goal of the Douglas County Information Services department (DCIS) is to provide Douglas County, the City of Omaha, and other public and private entities automation and communication solutions to business problems using the most current, innovative, and appropriate technology at a reasonable price.

The Advisory Letter was requested by the Douglas County Board of Commissioners. It included sixteen Comments and Recommendations outlining various concerns. The Comments and Recommendations were based upon government auditing standards. Specific areas of concern included:

- There was inadequate documentation to support that all costs were allocated and billed to a variety of users.
- Billing statements were not accounted for and were not properly consecutively numbered. No reconciliation was conducted to ensure all the billing statements were downloaded into the accounts receivable ledger.
- Billing statements lacked information regarding payments received and outstanding balances. The accounts receivable subsidiary ledger was not reconciled to the Douglas County Treasurer's records.
- Service was not terminated for ten clients with balances exceeding 60 days, as required by contracts. There was no policy regarding write-offs of uncollectable accounts.
- One client who had cancelled service had not been refunded a credit balance.
- The teleprocessing rate for one client of fifteen tested was overcharged by \$23.
- The Support Manager did not document his review of the monthly billing statements for accuracy before they were printed.
- There was no documentation to support CPU time and printing rates charged for July 2000 through January 2001.
- Two of ten Douglas County Public

Access Network client contracts could not be located at the Douglas County Clerk's office.

- There were individuals with authorization to both create and approve purchase orders. There was no documented review of Expense Issue Slips.
- Five of five travel expense reimbursements tested had noted exceptions, including an over-reimbursement, lack of receipts, and insufficient documentation.
- One individual was capable of handling all phases of a credit card transaction from beginning to end. Exceptions were noted on credit card statements tested, including charges for personal uses, and a lack of receipts or supporting documentation.
- Douglas County's meal reimbursement policy did not specify when reimbursements for meals while conducting official business are allowable, such as overnight travel, one-day travel, or time of day. There was also no indication that the policy addresses the issue of taxable income to employees for meal reimbursements.
- For two of two travel reimbursements tested, Douglas County's policy relating to air travel was not followed. Also, the policy did not specify when air travel should be used instead of surface travel.
- A physical inventory of fixed assets was not completed. Also, additions, deletions, or modifications to the fixed asset records were not verified.
- Employees did not always sign attendance records to verify actual hours worked, and there was no documentation of supervisory or managerial level review of some attendance records. Additionally, there were no policies or guidelines pertaining to the advanced approval or usage of sick and vacation leave.

### **Comments and Recommendations**

- Billing Rates
- Billing Procedures
- Receipts
- Account Balances
- Credit Balance
- Teleprocessing Costs
- Billing Audit Report
- Computer Run Rates
- CPAN Contracts
- Disbursements
- Travel Reimbursements
- Credit Card Use
- Meal Reimbursements
- Air Travel Policy
- Fixed Assets
- Payroll

The Advisory Letter was dated February 11, 2002. We have detailed our findings, including responses from the Douglas County Board, in the Comments and Recommendations section of the report. See our website at [www.auditors.state.ne.us](http://www.auditors.state.ne.us).