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**Audit Report of the Nebraska Public Employees Retirement Systems  
 School Employees, Judges, and State Patrol Retirement Plans  
 July 1, 2000 through June 30, 2001**

**Report Highlights**

- COMMENTS AND RECOMMENDATIONS**
- Improper Contributions by School Districts
  - Benefit Payments Miscalculated
  - Disbursement Procedures
  - School Member Records

The Nebraska Public Employees Retirement Board (NPERB) is responsible for the administration of the Nebraska retirement plans for school employees, State employees, Judges, and the State Patrol. The Board has seven members appointed by the Governor, with legislative approval, to five-year terms. NPERB hires a Nebraska Public Employees Retirement Systems (NPERS) Director to equitably distribute expenses among the retirement systems which NPERS administers. All expenses must be provided from investment income earned by various retirement funds, unless other fund sources to pay expenses are specified by law.

Our report included four Comments and Recommendations outlining various concerns. The Comments and Recommendations were based upon auditing standards relating to internal controls and compliance with State laws. Specific areas of concern included:

- Thirty of 165 contributing members tested (at 12 of 46 schools) did not have retirement contributions correctly calculated. Incorrect contributions ranged from \$16 under-contributed to \$70 over-contributed for the month tested.
- Two of six newly retired Judges tested were overpaid \$368 and \$113 per month respectively. We also noted NPERS calculated the Cost-of-Living Adjustments for School, Judges, and State Patrol members based on methodology provided by the actuary; however, the methodology and the statutes did not appear to be in agreement.

- Unreasonable travel reimbursements were noted, and the State and County Plans were charged \$3,794 for expenses related to the School, Judges, and Patrol Plans.

- Service years for one member tested were incorrectly reported to the actuary, and interest was not properly credited for contributions posted late.

We have detailed our findings, including the Board's responses, 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).

