



**Audit Report of the Nebraska Educational
 Telecommunications Commission
 July 1, 2001 through June 30, 2002**

Report Highlights

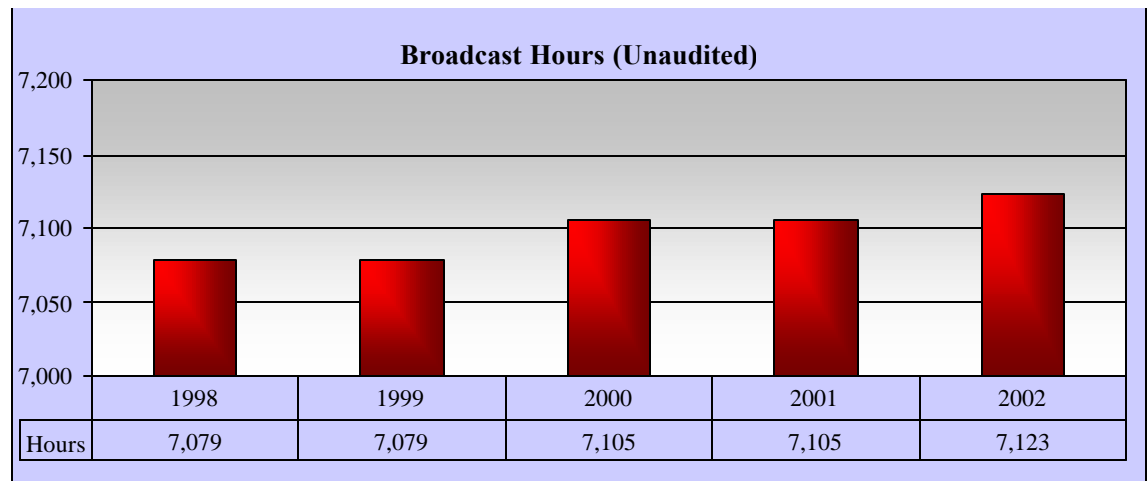
Issued March 2003

**Comments and
 Recommendations**

- **University Billings**
- **Adequate Supporting Documentation**
- **Internal Control Over Payroll**
- **No Written Agreement with Public Radio Nebraska Foundation**
- **Expenses Not Charged to the University**
- **Capital Assets**
- **Travel Expense Reimbursements**

Our report included seven Comments and Recommendations relating to internal controls and compliance with State laws. Specific areas of concern included:

- The Commission paid the University of Nebraska-Lincoln \$1,710,945 under a contract from 1965 that did not indicate a specific dollar amount for services. The Commission paid the University more than budgeted for contractual and production services and did not review actual documentation to support amounts paid to the University for operating expenses.
- The Commission paid \$210,872 to the University of Nebraska-Lincoln without adequate documentation to support the payment.
- There was no reconciliation to ensure all payroll transactions were authorized. There was no documentation to indicate the Commission approved the January 2002 pay increase to non-contract employees. The Commission did not appropriately forfeit excess leave balances, nor did they maintain documentation for excessive sick leave usage.
- The Commission was reimbursed \$379,743 from the Public Radio Nebraska Foundation and did not have a written agreement outlining the responsibilities of each entity.



- The Commission purchased seven laptop computers and 100 software licenses, both of which benefited the University of Nebraska-Lincoln as well, and did not maintain documentation to indicate why these expenses were not charged to the University.
- One individual was in a position to be able to both perpetrate and conceal errors and irregularities over capital asset procedures. There was no physical inventory of capital assets. The Commission did not properly capitalize \$226,020 in expenses on the State's accounting system.
- Daily amounts exceeded amounts authorized in the Commission's policies and receipts were not maintained. One document included personal vehicle mileage that was in excess of the most direct route.

We have detailed our findings in the Comments and Recommendations section of the report, which can be found at www.auditors.state.ne.us.