The Nebraska Public Employees Retirement Board (NPERB) is responsible for the administration of the Nebraska retirement plans for State and County employees. The Board has seven members appointed by the Governor, with legislative approval, to five-year terms. The Board 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 five Comments and Recommendations. A summary of the Comments are listed below:

- **County Plan Payroll Testing:** There were 5 of 23 counties tested that did not monitor part-time employees to ensure mandatory enrollment requirements were being met. There were 2 of 104 employees tested who were not properly contributing to the Plan. One member’s reported salary did not agree to the county payroll records. Additionally, 14 items related to our testing in the counties from calendar year 2001 were not adequately resolved during the current audit.

- **Inadequate Resolution of Prior Audit Findings:** One finding in the audit of the State Plan for calendar year 2000 and four additional items in the audit of the County Plan for calendar year 2001 were not adequately resolved by NPERS during the current audit.

- **Missed Retirement Contribution Procedures:** There were several findings related to the procedures for the identification and follow-up of missed contributions, including failure of agencies to remit the required contribution from final pay, noncompliance with NPERS Rules and Regulations related to insufficient or excess contributions, and documentation of monitoring of the missed contributions.

- **Plan Membership Eligibility:** One county member began participation in the plan prior to being eligible for participation. Additionally, one county member tested did not begin participation in the plan as required by statutes.

- **Initial Contributions:** NPERS’ policy was not clear whether contributions should begin during the pay period that included the effective date of enrollment, or for the first full pay period following the effective date of enrollment. We noted 17 of 40 new members tested in the State Plan and 4 of 30 new members tested in the County Plan had initial contributions for a pay period that began prior to the date the employee became eligible for plan participation.

We have detailed our findings, and responses, in the Comments and Recommendations section of the report, which can be found at [www.auditors.state.ne.us](http://www.auditors.state.ne.us).