The Nebraska Department of Labor protects the welfare of working Nebraskans. It enforces State and Federal laws and distributes Federal funds relating to unemployment compensation insurance, job development and placement activities, special job training and employment programs, and worker health and safety. It also enforces labor laws and does boiler, elevator, and amusement ride inspections.

Elements of the current Department were initially established in 1877 through the creation of a Bureau of Labor, Census, and Industrial Statistics. The Labor Commissioner, who is appointed by the Governor, heads the Department. The Department is organized into six divisions, which include the Office of Workforce Services, the Office of Unemployment Insurance, the Office of Safety and Labor Standards, the Office of Legal Counsel and Legislative Affairs, the Office of Information Services, and the Office of Finance and Human Relations.

Our report included four Comments and Recommendations. A summary of the Comments is listed below:

**Nebraska Information System (NIS):** Significant areas of concern or areas where improvement to the Nebraska Information System is needed to ensure NIS integrity and operational efficiency were identified.

**Payroll Expenditures:** There was no reconciliation between payroll expenditures paid through the State’s accounting system and the payroll expenditures recorded on the Federal accounting system. Of the 50 employee timesheets tested, 19 did not agree to the funds charged on the State’s accounting system. These distribution errors resulted in $13,080 of $61,072 of payroll expenditures tested charged to incorrect State or Federal funds.

**Payroll Records:** One of five terminated employees tested were not removed from the Department’s payroll calculate within a timely manner. Three of ten employees tested with negative leave did not have the Division Director’s approval. Authorization forms for deductions were not maintained for 5 of 26 employees tested.

**Boiler Program Fund Balance:** The program fund balance had exceeded one year’s worth of expenditures for each of the last four years.

We have detailed our findings, and the Department’s 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).