

**STATE OF NEBRASKA  
ATTESTATION REVIEW  
OF THE  
NEBRASKA MEXICAN AMERICAN COMMISSION**

**JUNE 1, 2008 THROUGH MAY 31, 2009**

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**Issued on July 17, 2009**

NEBRASKA MEXICAN AMERICAN COMMISSION  
ATTESTATION REVIEW

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<b>Exhibit A – Schedule of Expenditures</b>	



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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### Independent Accountant's Report

Citizens of the State of Nebraska:

We have reviewed the expenditures, revenues, payroll, and capital assets of the Nebraska Mexican American Commission (Commission) for the period June 1, 2008, through May 31, 2009. The Commission's management is responsible for the expenditures, revenues, payroll, and capital assets. We did not obtain a written assertion regarding such matters from management.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the Commission's expenditures, revenues, payroll, and capital assets. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the Commission's expenditures, revenues, payroll, and capital assets are not presented, in all material respects, in conformity with the criteria set forth in the Criteria section.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts, and abuse that are material to the Commission's expenditures, revenues, payroll, and capital assets and any fraud and illegal acts that are more than inconsequential that come to our attention during our review. We are also required to obtain the views of management on those matters. We did not perform our review for the purpose of expressing an opinion on the internal control over the Commission's expenditures, revenues, payroll, and capital assets or on compliance and other matters; accordingly, we express no such opinions.

Our review disclosed no findings that are required to be reported under *Government Auditing Standards*. However, we noted a certain other matter, and that finding, along with the views of management, are described below in the Summary of Results.

This report is intended solely for the information and use of the Citizens of the State of Nebraska, management of the Commission, others within the Commission, and the appropriate Federal and regulatory agencies; however, this report is a matter of public record, and its distribution is not limited.

Signed Original on File

Mike Foley  
Auditor of Public Accounts

Timothy J. Channer, CPA  
Assistant Deputy Auditor

July 17, 2009

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**Background**

The Nebraska Mexican American Commission (Commission) was created in 1972. The Commission consists of nine members who are appointed by the Governor to three-year terms. The Governor or the Governor's designee serves as an ex officio member. The Commission employs an Executive Director who is responsible for the day-to-day operations of the office and the other Commission staff. The Commission meets quarterly. Commission members are paid \$35 a day for each day conducting Commission business and are reimbursed for expenses.

The Commission serves Nebraska's Mexican Americans in education, employment, health, housing, welfare, and assists in the translation of documents for the direct assistance of clients in matters relating to any department or agency of the Federal Government, State or a political subdivision. The Commission develops, coordinates, and assists public and private organizations and coordinates and assists the efforts of State departments and agencies to serve the needs of Mexican Americans. The Commission stimulates public awareness through various programs, workshops, conferences, and studies on the problems of Hispanics. The Commission also answers questions from the public, and assists individual Hispanics with problems on a case-by-case basis.

Commission Member	Term Expiration
Dora Olivares	May 16, 2009
Norma de la O	May 16, 2011
Chandra Diaz De-Bose	May 16, 2011
John Leon	May 16, 2010
Alex Moreno	May 16, 2009
Yolanda Nuncio	May 16, 2011
Ramon Otero	May 16, 2010
Theresa Palacio	May 16, 2009
Gina Ponce	May 16, 2010
Jose Santos	Ex Officio

**Criteria**

The criteria used in this review were State Statutes, Commission Rules and Regulations, Administrative Services State Accounting Manual, and Nebraska Personnel Rules and Regulations.

**Summary of Procedures**

Pursuant to Neb. Rev. Stat. § 84-304 (Reissue 2008), the Auditor of Public Accounts (APA) conducted an attestation review of the Commission's expenditures, revenues, payroll, and capital assets for the period June 1, 2008 through May 31, 2009, in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The APA's attestation review consisted of the following procedures:

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1. Reviewing internal controls over expenditures, revenues, payroll, and capital assets.
2. Analytical procedures for expenditures, payroll, and revenue accounts.
3. Detail testing of travel, payroll, and other expenditures.
4. Review of contracting procedures.
5. Testing of journal entry and negative account transactions for expenditures and revenues.
6. Testing of applicable State statute compliance.
7. Testing of employee leave earnings, usage, and balances.
8. Follow-up of prior findings.

**Summary of Results**

The summary of our attestation review noted the following finding and recommendation:

**1. Payroll Controls**

Good internal control requires an adequate segregation of duties be in place over payroll to ensure no one person is in a position to both perpetrate and conceal errors or irregularities. In addition, salary increases should be approved by the Commission and the approval should be documented.

During our review of the Commission's payroll procedures, we noted the following:

- One employee maintained the payroll records, changed pay rates in NIS, approved hours worked in NIS, processed pre-payroll, and reconciled payroll input to output.
- There was no documentation, in the employees' personnel files, to support the Commission approved salary increases for two employees in 2008 and one employee in 2009.

Without proper internal controls there is an increased risk of loss or misuse of State assets.

We recommend the Commission implement procedures to ensure an adequate segregation of duties exists. Procedures could include an independent reconciliation of payroll input to output. We also recommend the Commission document all salary increases.

*Commission's Response: We would like to clarify that the anomaly described under this section, should not be classified as a standard or universal practice applied by our agency. Due to an unexpected personnel matter (Director's physical incapacitation), we were strained to implement this unorthodox payroll method/procedure during this time of personnel constraints. In that regard, State Accounting was fully aware of the situation, and also accepted our payroll method(s) on a transitory basis.*

*Without further comments, we accept the report's recommendations, and we look forward to implementing them in the immediate future.*

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**Overall Conclusion**

The Commission needs to improve their payroll procedures to ensure one individual is not in the position to both perpetrate and conceal errors or irregularities.

The APA staff members involved in this attestation review were:

Timothy J. Channer, CPA, Assistant Deputy Auditor

Tom Bliemeister, Auditor in Charge

If you have any questions regarding the above information, please contact our office.

**NEBRASKA MEXICAN AMERICAN COMMISSION  
SCHEDULE OF EXPENDITURES  
JUNE 1, 2008 THROUGH MAY 31, 2009**

	State General Fund 10000
EXPENDITURES:	
Personal Services	\$ 164,830
Operating	21,094
Travel	12,836
TOTAL EXPENDITURES	<u>\$ 198,760</u>