

**ATTESTATION REPORT
OF THE
NEBRASKA STATE BOARD OF EXAMINERS
FOR LAND SURVEYORS**

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

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Issued on April 30, 2012

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Audit Staff Working On This Examination

Don Dunlap, CPA, Audit Manager
Tim Channer, CPA, Auditor in Charge
Peggy Graham, CFE, Auditor
Emily Turek, Auditor
Kristina Oria, Auditor

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Nebraska Auditor of Public Accounts
State Capitol, Suite 2303
P.O. Box 98917
Lincoln, Nebraska, 68509
Phone: 402-471-2111

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NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

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NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

BACKGROUND

The State Board of Examiners for Land Surveyors was created by the Legislature in 1957. The law provided for the Director-State Engineer, State Surveyor, and Dean of the University of Nebraska's College of Engineering to serve as an ex officio board. The State Surveyor was the Board's ex officio secretary.

The 1971 Legislature established the independent State Board of Examiners for Land Surveyors (Board). The Board tests and interviews people applying to be registered land surveyors. The Board can also revoke registration for failure to follow the regulations. The Board is financed through registration fees, which are handled by the Board's secretary.

The Board has five members who are appointed by the Governor to five-year terms. Four members must be registered land surveyors who have lived in Nebraska for at least one year and have been practicing surveyors for ten years. At least five years must have been spent in charge of surveying work. One Board member, who is at least 21 years old and a Nebraska resident for at least one year, represents the public. The State Surveyor serves as ex officio secretary of the Board and all committees appointed by the Board.

The Board meets four or five times each year. Members are not paid, but are reimbursed for their expenses.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

EXIT CONFERENCE

An exit conference was held April 10, 2012, with the Board to discuss the results of our examination. Those in attendance for the Nebraska State Board of Examiners for Land Surveyors were:

NAME	TITLE
Steven Cobb	Secretary
Kathy Martin	Administrative Assistant III
Richard Hansen (via Teleconference)	Chairperson

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

COMMENT AND RECOMMENDATION

During our examination of the Nebraska State Board of Examiners for Land Surveyors, we noted a certain deficiency in internal control.

This comment and recommendation is intended to improve the internal control over financial reporting or result in operational efficiencies in the areas as follows:

Segregation of Duties – Receipts

A good internal control plan would include an adequate segregation of duties over receipt transactions to ensure no one person is responsible for all phases of a transaction.

The Board did not have an adequate segregation of duties over receipt transactions as one individual handled all aspects of processing a receipt transaction from beginning to end. Total revenues for the year were \$9,453.

There is an increased risk of misappropriation of assets when an adequate segregation of duties is not in place.

We recommend the Board develop procedures to ensure no one person handles all aspects of processing a receipt transaction from beginning to end. This could include two individuals opening the mail, one individual creating a log of receipts/checks and one individual processing the deposit, then the reconciliation of the receipt/check log to the deposit document and receipt book by the individual not processing the deposit.

Board's Response: The Board has developed procedures to ensure that no one person handles all aspects of processing a receipt transaction from beginning to end. The Secretary and the Administrative Assistant will open the mail together. The Secretary will log the checks and the Administrative Assistant will process the deposit. The Secretary will reconcile the log to the deposit before approving the State Treasurer Deposit.

It should be noted that this report is critical in nature as it contains only our comment and recommendation on the areas noted for improvement and does not include our observations on any accounting strengths of the Nebraska State Board of Examiners for Land Surveyors.

Draft copies of this report were furnished to the Board to provide them an opportunity to review the report and to respond to the comment and recommendation included in this report. The formal response received has been incorporated into this report. The response has been objectively evaluated and recognized, as appropriate, in the report. A response that indicates corrective action has been taken, was not verified at this time, but will be verified in the next examination.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
P.O. Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.state.ne.us

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

INDEPENDENT ACCOUNTANT'S REPORT

Nebraska State Board of Examiners for Land Surveyors
Lincoln, Nebraska

We have examined the accompanying schedule of revenues, expenditures, and changes in fund balance of the Nebraska State Board of Examiners for Land Surveyors (Board) for the calendar year ended December 31, 2011. The Board's management is responsible for the schedule of revenues, expenditures, and changes in fund balance. Our responsibility is to express an opinion based on our examination.

Our examination 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, and accordingly, included examining, on a test basis, evidence supporting the schedule of revenues, expenditures, and changes in fund balance and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents, in all material respects, the revenues, expenditures, and changes in fund balance of the Nebraska State Board of Examiners for Land Surveyors for the calendar year ended December 31, 2011, based on the accounting system and procedures prescribed by the State of Nebraska Director of the Department of Administrative Services as described in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the schedule of revenues, expenditures and changes in fund balance and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the schedule of revenues, expenditures, and changes in fund balance is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the schedule of revenues, expenditures, and changes in fund balance or on compliance and other matters; accordingly we express no such opinions. Our examination disclosed no findings that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Examiners for Land Surveyors, others within the Board, 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

April 10, 2012

Mike Foley
Auditor of Public Accounts

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Calendar Year Ended December 31, 2011

	Land Surveyors Examiners Cash Fund 26210
REVENUES:	
Sales & Charges	\$ 7,951
Miscellaneous	1,502
TOTAL REVENUES	9,453
EXPENDITURES:	
Operating	14,885
Travel	3,379
TOTAL EXPENDITURES	18,264
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,811)
OTHER FINANCING SOURCES (USES):	
Operating Transfers Out	(747)
TOTAL OTHER FINANCING SOURCES (USES)	(747)
Net Change in Fund Balance	(9,558)
FUND BALANCE, JANUARY 1, 2011	58,020
FUND BALANCE, DECEMBER 31, 2011	\$ 48,462
FUND BALANCE CONSISTS OF:	
General Cash	\$ 48,478
Deposits with Vendors	61
Due to Vendors	(77)
TOTAL FUND BALANCE	\$ 48,462

The accompanying notes are an integral part of the schedule.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

NOTES TO THE SCHEDULE

For the Calendar Year Ended December 31, 2011

1. Criteria

The accounting policies of the Nebraska State Board of Examiners for Land Surveyors (Board) are on the basis of accounting as prescribed by the State of Nebraska Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2008), the State of Nebraska Director of the Department of Administrative Services duties include “The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes.”

In accordance with Neb. Rev. Stat. § 81-1111(1) (Reissue 2008), the State Accounting Administrator has prescribed the system of accounts and accounting to be maintained by the State and its departments and agencies and has developed necessary accounting policies and procedures. The prescribed accounting system currently utilizes EnterpriseOne to maintain the general ledger and all detailed accounting records. Policies and procedures are detailed in the Nebraska State Accounting Manual published by DAS State Accounting Division (State Accounting) and are available to the public. The financial information used to prepare the schedule of revenues, expenditures, and changes in fund balance was obtained directly from the general ledger and fund balance information maintained on EnterpriseOne. As transactions occur, the agencies record the accounts receivable and accounts payable in the general ledger. As such, certain revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. The expenditures and related accounts payables recorded in the general ledger as of December 31, 2011, include only those payables posted in the general ledger before December 31, 2011, and not yet paid as of that date. The amount recorded as expenditures as of December 31, 2011, **does not** include amounts for goods and services received before December 31, 2011, which had not been posted to the general ledger as of December 31, 2011.

The Board had no accounts receivable at December 31, 2011. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

The fund types established by the State that are used by the Board are:

20000 – Cash Funds – account for revenues generated by specific activities from sources outside of State government and the expenditures directly related to the generation of the revenues. Cash funds are established by State statutes and must be used in accordance with those statutes.

The major revenue account classifications established by State Accounting used by the Board are:

Sales & Charges – Income derived from sales of merchandise and commodities, compensation for services rendered, and charges for various licenses, permits, and fees.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

NOTES TO THE SCHEDULE

(Continued)

1. Criteria (Concluded)

Miscellaneous – Revenue from sources not covered by other major categories, such as investment income.

The major expenditure account classifications established by State Accounting used by the Board are:

Operating – Expenditures directly related to a program’s primary service activities.

Travel – All travel expenses for any state officer, employee, or member of any commission, council, committee, or board of the State.

Other significant accounting classifications and procedures established by State Accounting and used by the Board include:

Assets – Resources owned or held by a government that have monetary value. Assets include cash accounts and deposits with vendors. Cash accounts and deposits with vendors are also included in fund balance and are reported as recorded in the general ledger.

Other Financing Sources – Operating transfers out consisted of transfers to the State General Fund.

2. Reporting Entity

The Nebraska State Board of Examiners for Land Surveyors is a State agency established under and governed by the laws of the State of Nebraska. As such, the Board is exempt from State and Federal income taxes. The schedule includes all funds of the Board included in the general ledger.

The Nebraska State Board of Examiners for Land Surveyors is part of the primary government for the State of Nebraska.

3. General Cash

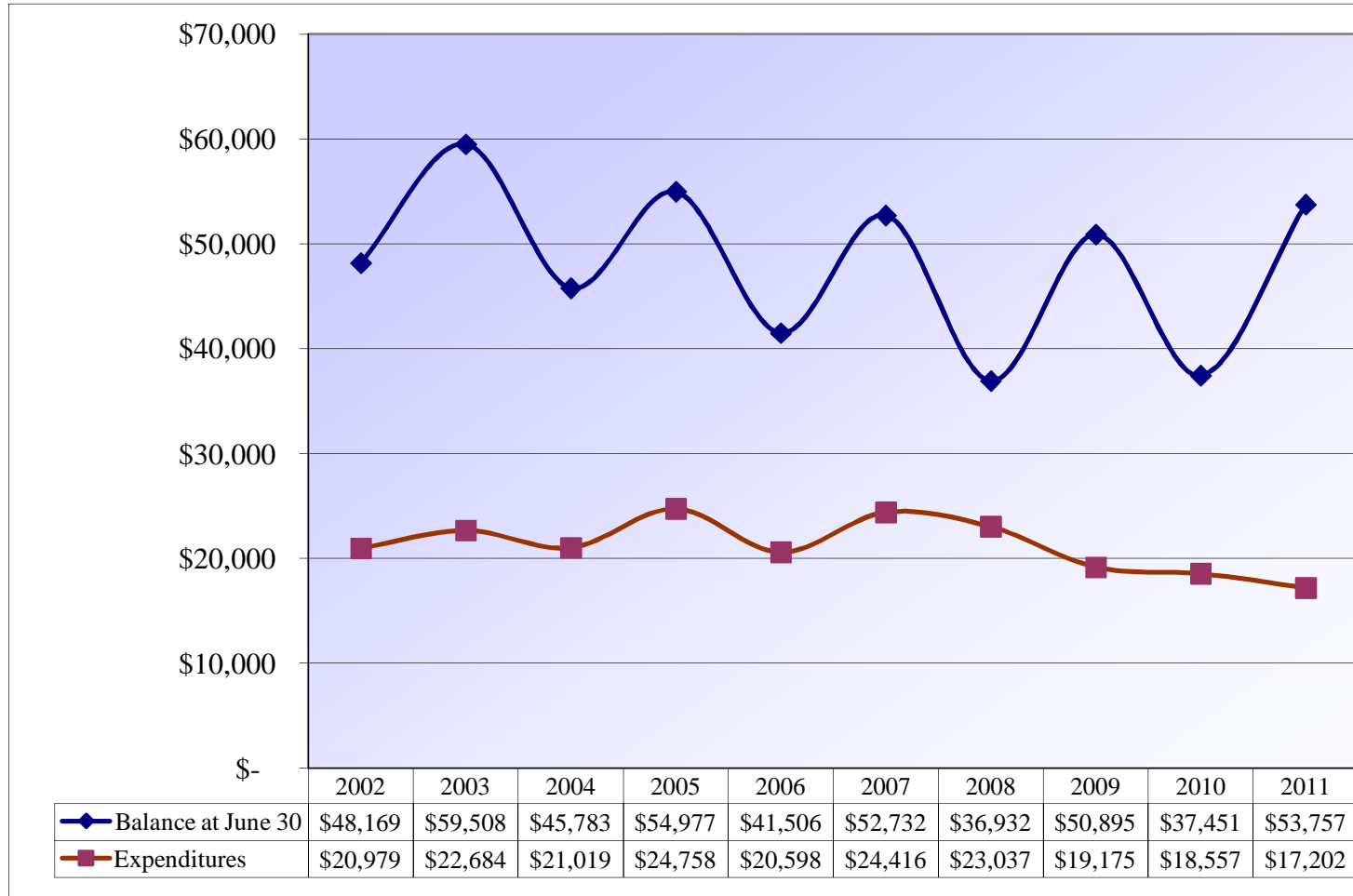
General cash accounts are under the control of the State Treasurer or other administrative bodies as determined by law. All cash deposited with the State Treasurer is initially maintained in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State’s Investment Council that maintains an operating investment pool for such investments. Interest earned on those investments is allocated to funds based on their percentage of the investment pool.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS

SUPPLEMENTARY INFORMATION

Our examination was conducted for the purpose of forming an opinion on the schedule of revenues, expenditures, and changes in fund balance. Supplementary information is presented for purposes of additional analysis. Such information has not been subjected to the procedures applied in the examination of the schedule of revenues, expenditures, and changes in fund balance, and, accordingly, we express no opinion on it.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS
SCHEDULE OF EXPENDITURES AND FUND BALANCES
 Fiscal Years Ended June 30, 2002 through 2011



Note: After the issuance of a certificate of registration, a biennial fee shall be collected each odd-numbered year. Therefore receipts and fund balance is higher in odd-numbered years.

NEBRASKA STATE BOARD OF EXAMINERS FOR LAND SURVEYORS
REGISTERED SURVEYORS AND EXAMS ADMINISTERED
 Fiscal Years Ended June 30, 2007 through 2011

