

**ATTESTATION REPORT
OF THE
STATE OF NEBRASKA
OFFICE OF THE LIEUTENANT GOVERNOR**

JULY 1, 2020, THROUGH JUNE 30, 2021

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Issued on July 19, 2021

The Nebraska Auditor of Public Accounts Office was created by the first territorial Legislature in 1855. The Auditor was the general accountant and revenue officer of the territory. Those duties have expanded and evolved over the decades, as modern accounting theory has been implemented. The office of the Auditor of Public Accounts is one of six offices making up the executive branch of Nebraska State Government. Charlie Janssen was elected in November 2014 and re-elected in November 2018, as the Nebraska Auditor of Public Accounts. He was sworn into office on January 8, 2015, as Nebraska's 25th State Auditor.

The mission of the Nebraska Auditor of Public Accounts' office is to provide independent, accurate, and timely audits, reviews, or investigations of the financial operations of Nebraska State and local governments.

We will provide this information, as required by statute, to all policymakers and taxpayers through written reports and our Internet-based Budget and Audit databases.

We will maintain a professionally prepared staff, utilizing up-to-date technology, and following current Government Auditing Standards.

Audit Staff Working On This Examination

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STATE OF NEBRASKA
OFFICE OF THE LIEUTENANT GOVERNOR

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STATE OF NEBRASKA
OFFICE OF THE LIEUTENANT GOVERNOR

BACKGROUND

The Nebraska Blue Book (2020-21), page 413, contains the following information regarding the Office of the Lieutenant Governor:

The Nebraska Constitution of 1875 made the first provision for a lieutenant governor. By law, the lieutenant governor

- presides over the Legislature*
- acts as governor when the governor is out of the state or incapacitated*
- becomes governor in case of a vacancy or when the governor is permanently incapacitated*
- performs duties assigned by the governor*

Nebraska's lieutenant governor also serves as director of homeland security for the state and chairman of the Governor's Homeland Security Policy Group.

Before 1971, the office of lieutenant governor was part-time except during the biennial legislative session. When the Legislature began meeting annually, the office became full-time.

In 1962, voters approved a constitutional amendment providing that the lieutenant governor would be elected to a four-year term beginning in 1966. Before then, lieutenant governors were elected to two-year terms. From 1974 until 2002, the governor and lieutenant governor, by constitutional amendment, secured nominations at the primary election in their respective parties, then ran in the general election on one ticket from the same political party. Beginning in 2002, gubernatorial candidates choose their nominee for lieutenant governor after winning their respective parties' primary elections.

Nebraska's constitution of 1875 provided that the lieutenant governor receive twice the compensation of a state senator. The lieutenant governor's salary advanced from \$6 per day during the session of the 1875 Legislature to \$7,500 per year in 1969. The lieutenant governor's salary was increased to \$25,000 per year in 1975, to \$32,000 in 1979, to \$40,000 in 1987, to \$47,000 in 1991, to \$60,000 in 2003 and to \$75,000 in 2006.

STATE OF NEBRASKA
OFFICE OF THE LIEUTENANT GOVERNOR

KEY OFFICIAL AND AGENCY CONTACT INFORMATION

**STATE OF NEBRASKA
OFFICE OF THE LIEUTENANT GOVERNOR**

Name	Title
Mike Foley	Lieutenant Governor

State of Nebraska
Office of the Lieutenant Governor
State Capitol, Room 2315
P.O. Box 94863
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ltgov.ne.gov

STATE OF NEBRASKA
OFFICE OF THE LIEUTENANT GOVERNOR

COMMENT AND RECOMMENDATION

During our examination of the Office of the Lieutenant Governor (Office), we noted a certain deficiency that, along with other operational matters, is presented here.

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

Certification of Time Worked

We noted that one employee did not complete a timesheet or otherwise attest to having worked 40 hours each week. The employee was required to complete only leave slips documenting the hours of vacation or sick leave used.

Neb. Rev. Stat. § 84-1001(1) (Reissue 2014) provides the following:

All state officers and heads of departments and their deputies, assistants, and employees, except permanent part-time employees, temporary employees, and members of any board or commission not required to render full-time service, shall render not less than forty hours of labor each week except any week in which a paid holiday may occur.

Furthermore, a good internal control plan requires employees that accrue vacation and sick leave have adequate support that the employees earned the amounts recorded in the leave records.

Without adequate records to support a 40-hour work week for all employees, there is an increased risk for not only noncompliance with State statute but also inaccurate leave accruals, resulting in improper payments for unused leave upon termination.

We recommend the Office document compliance with State statute, as well as ensure the accuracy of leave accruals, by requiring staff to complete a timesheet or otherwise attest to having worked 40 hours each week.

It should be noted that this report is critical in nature, containing only our comment and recommendation on the area noted for improvement and does not include our observations on any accounting strengths of the Office.

Draft copies of this report were furnished to the Office to provide its management with an opportunity to review and to respond to the comment and recommendation contained herein. The Office declined to respond.



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STATE OF NEBRASKA OFFICE OF THE LIEUTENANT GOVERNOR

INDEPENDENT ACCOUNTANT'S REPORT

Office of the Lieutenant Governor
Lincoln, Nebraska

We have examined the accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance of the Office of the Lieutenant Governor (Office) for the fiscal year ended June 30, 2021. The Office's management is responsible for the Schedule of Revenues, Expenditures, and Changes in Fund Balance based on the accounting system and procedures set forth in Note 1. Our responsibility is to express an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balance 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Revenues, Expenditures, and Changes in Fund Balance is based on the accounting system and procedures set forth in Note 1, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Revenues, Expenditures, and Changes in Fund Balance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Revenues, Expenditures, and Changes in Fund Balance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance for the fiscal year ended June 30, 2021, is based on the accounting system and procedures prescribed by Nebraska's Director of Administrative Services, as set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the Schedule of Revenues, Expenditures, and Changes in Fund Balance; fraud that is material, either quantitatively or qualitatively, to the Schedule of Revenues, Expenditures, and Changes in Fund Balance; and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of management concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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*.

The purpose of this report is to express an opinion on the Schedule of Revenues, Expenditures, and Changes in Fund Balance, as described in paragraph one above. Accordingly, this report is not suitable for any other purpose. This report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read "C. J. Janssen", with a long horizontal flourish extending to the right.

July 16, 2021

Charlie Janssen
Auditor of Public Accounts
Lincoln, Nebraska

STATE OF NEBRASKA
OFFICE OF THE LIEUTENANT GOVERNOR
**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**
For the Fiscal Year Ended June 30, 2021

	State General Fund 10000
	10000
REVENUES:	
Appropriations	\$ 139,397
TOTAL REVENUES	139,397
EXPENDITURES:	
Personal Services	122,715
Operating	6,566
Travel	10,116
TOTAL EXPENDITURES	139,397
Net Change in Fund Balance	-
FUND BALANCE, JULY 1, 2020	46
FUND BALANCE, JUNE 30, 2021	\$ 46
FUND BALANCE CONSIST OF:	
Deposits with Vendors	46
TOTAL FUND BALANCE	\$ 46

The accompanying notes are an integral part of the schedule.

STATE OF NEBRASKA
OFFICE OF THE LIEUTENANT GOVERNOR

NOTES TO THE SCHEDULE

For the Fiscal Year Ended June 30, 2021

1. Criteria

The accounting policies of the Office of the Lieutenant Governor (Office) are on the basis of accounting, as prescribed by the State of Nebraska's Director of the Department of Administrative Services (DAS).

Per Neb. Rev. Stat. § 81-1107(2) (Reissue 2014), the duties of the State of Nebraska's Director of DAS 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 2014), 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, an accounting resource software, 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. EnterpriseOne is not an accrual accounting system; instead, accounts are maintained on a modified cash basis. As revenue transactions occur, the agencies record the accounts receivable and related revenues in the general ledger. As such, certain revenues are recorded when earned, regardless of the timing of related cash flows. State Accounting does not require the Office to record all accounts receivable and related revenues in EnterpriseOne; as such, the Office's schedule does not include all accounts receivable and related revenues. In a like manner, expenditures and related accounts payable are recorded in the general ledger as transactions occur. As such, the schedule includes those expenditures and related accounts payable posted in the general ledger as of June 30, 2021, and not yet paid as of that date. The amount recorded as expenditures on the schedule, as of June 30, 2021, **does not** include amounts for goods and services received before June 30, 2021, which had not been posted to the general ledger as of June 30, 2021.

The Office had no accounts receivable at June 30, 2021. Liabilities for accrued payroll and compensated absences are not recorded in the general ledger.

The following fund type is established by the State and used by the Office:

10000 – General Fund – accounts for activities funded by general tax dollars and related expenditures and transfers.

The following major revenue account classification is established by State Accounting and used by the Office:

Appropriations – Appropriations are granted by the Legislature to make expenditures and to incur obligations. The amount of appropriations reported as revenue is the amount of expenditures.

The following major expenditure account classifications are established by State Accounting and used by the Office:

Personal Services – Salaries, wages, and related employee benefits provided for all persons employed by the Office.

STATE OF NEBRASKA
OFFICE OF THE GOVERNOR

NOTES TO THE SCHEDULE
(Concluded)

1. **Criteria** (Concluded)

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 Office include the following:

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

2. **Reporting Entity**

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

The Office is part of the primary government for the State of Nebraska.