

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1014

Introduced by Conrad, 46.

Read first time January 17, 2012

Committee: Government, Military and Veterans Affairs

A BILL

1 FOR AN ACT relating to the Auditor of Public Accounts; to amend
2 section 84-304, Reissue Revised Statutes of Nebraska; to
3 provide for a performance audit of the Department of
4 Roads; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 84-304, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 84-304 It shall be the duty of the Auditor of Public
4 Accounts:

5 (1) To give information in writing to the Legislature,
6 whenever required, upon any subject relating to the fiscal affairs of
7 the state or with regard to any duty of his or her office;

8 (2) To furnish offices for himself or herself and all
9 fuel, lights, books, blanks, forms, paper, and stationery required
10 for the proper discharge of the duties of his or her office;

11 (3) To examine or cause to be examined, at such time as
12 he or she shall determine, books, accounts, vouchers, records, and
13 expenditures of all state officers, state bureaus, state boards,
14 state commissioners, the state library, societies and associations
15 supported by the state, state institutions, state colleges, and the
16 University of Nebraska, except when required to be performed by other
17 officers or persons. Such examinations shall be done in accordance
18 with generally accepted government auditing standards for financial
19 audits and attestation engagements set forth in Government Auditing
20 Standards (2007 Revision), published by the Comptroller General of
21 the United States, Government Accountability Office, and except as
22 provided in ~~subdivision (11)~~ subdivisions (11) and (12) of this
23 section, subdivision (16) of section 50-1205, and section 84-322,
24 shall not include performance audits, whether conducted pursuant to
25 attestation engagements or performance audit standards as set forth

1 in Government Auditing Standards (2007 Revision), published by the
2 Comptroller General of the United States, Government Accountability
3 Office;

4 (4)(a) To examine or cause to be examined, at the expense
5 of the political subdivision, when the Auditor of Public Accounts
6 determines such examination necessary or when requested by the
7 political subdivision, the books, accounts, vouchers, records, and
8 expenditures of any agricultural association formed under Chapter 2,
9 article 20, any county agricultural society, any joint airport
10 authority formed under the Joint Airport Authorities Act, any city or
11 county airport authority, any bridge commission created pursuant to
12 section 39-868, any cemetery district, any development district, any
13 drainage district, any health district, any local public health
14 department as defined in section 71-1626, any historical society, any
15 hospital authority or district, any county hospital, any housing
16 agency as defined in section 71-1575, any irrigation district, any
17 county or municipal library, any community mental health center, any
18 railroad transportation safety district, any rural water district,
19 any township, Wyuka Cemetery, the Educational Service Unit
20 Coordinating Council, any entity created pursuant to the Interlocal
21 Cooperation Act which includes either the participation of the
22 Educational Service Unit Coordinating Council or any educational
23 service unit, any village, any political subdivision with the
24 authority to levy a property tax or a toll, or any entity created
25 pursuant to the Joint Public Agency Act which has separately levied a

1 property tax based on legal authority for a joint public agency to
2 levy such a tax independent of the public agencies forming such joint
3 public agency.

4 (b) The Auditor of Public Accounts may waive the audit
5 requirement of subdivision (4)(a) of this section upon the submission
6 by the political subdivision of a written request in a form
7 prescribed by the auditor. The auditor shall notify the political
8 subdivision in writing of the approval or denial of the request for a
9 waiver;

10 (5) To report promptly to the Governor and the
11 appropriate standing committee of the Legislature the fiscal
12 condition shown by such examinations conducted by the auditor,
13 including any irregularities or misconduct of officers or employees,
14 any misappropriation or misuse of public funds or property, and any
15 improper system or method of bookkeeping or condition of accounts. In
16 addition, if, in the normal course of conducting an audit in
17 accordance with subdivision (3) of this section, the auditor
18 discovers any potential problems related to the effectiveness,
19 efficiency, or performance of state programs, he or she shall
20 immediately report them in writing to the Legislative Performance
21 Audit Committee which may investigate the issue further, report it to
22 the appropriate standing committee of the Legislature, or both;

23 (6)(a) To examine or cause to be examined the books,
24 accounts, vouchers, records, and expenditures of a fire protection
25 district. The expense of the examination shall be paid by the

1 political subdivision.

2 (b) Whenever the expenditures of a fire protection
3 district are one hundred fifty thousand dollars or less per fiscal
4 year, the fire protection district shall be audited no more than once
5 every five years except as directed by the board of directors of the
6 fire protection district or unless the auditor receives a verifiable
7 report from a third party indicating any irregularities or misconduct
8 of officers or employees of the fire protection district, any
9 misappropriation or misuse of public funds or property, or any
10 improper system or method of bookkeeping or condition of accounts of
11 the fire protection district. In the absence of such a report, the
12 auditor may waive the five-year audit requirement upon the submission
13 of a written request by the fire protection district in a form
14 prescribed by the auditor. The auditor shall notify the fire
15 protection district in writing of the approval or denial of a request
16 for waiver of the five-year audit requirement. Upon approval of the
17 request for waiver of the five-year audit requirement, a new five-
18 year audit period shall begin.

19 (c) Whenever the expenditures of a fire protection
20 district exceed one hundred fifty thousand dollars in a fiscal year,
21 the auditor may waive the audit requirement upon the submission of a
22 written request by the fire protection district in a form prescribed
23 by the auditor. The auditor shall notify the fire protection district
24 in writing of the approval or denial of a request for waiver. Upon
25 approval of the request for waiver, a new five-year audit period

1 shall begin for the fire protection district if its expenditures are
2 one hundred fifty thousand dollars or less per fiscal year in
3 subsequent years;

4 (7) To appoint two assistant deputies (a) whose entire
5 time shall be devoted to the service of the state as directed by the
6 auditor, (b) who shall be certified public accountants with at least
7 five years' experience, (c) who shall be selected without regard to
8 party affiliation or to place of residence at the time of
9 appointment, (d) who shall promptly report in duplicate to the
10 auditor the fiscal condition shown by each examination, including any
11 irregularities or misconduct of officers or employees, any
12 misappropriation or misuse of public funds or property, and any
13 improper system or method of bookkeeping or condition of accounts,
14 and it shall be the duty of the auditor to file promptly with the
15 Governor a duplicate of such report, and (e) who shall qualify by
16 taking an oath which shall be filed in the office of the Secretary of
17 State;

18 (8) To conduct audits and related activities for state
19 agencies, political subdivisions of this state, or grantees of
20 federal funds disbursed by a receiving agency on a contractual or
21 other basis for reimbursement to assure proper accounting by all such
22 agencies, political subdivisions, and grantees for funds appropriated
23 by the Legislature and federal funds disbursed by any receiving
24 agency. The auditor may contract with any political subdivision to
25 perform the audit of such political subdivision required by or

1 provided for in section 23-1608 or 79-1229 or this section and charge
2 the political subdivision for conducting the audit. The fees charged
3 by the auditor for conducting audits on a contractual basis shall be
4 in an amount sufficient to pay the cost of the audit. The fees
5 remitted to the auditor for such audits and services shall be
6 deposited in the Auditor of Public Accounts Cash Fund;

7 (9) To conduct all audits and examinations in a timely
8 manner and in accordance with the standards for audits of
9 governmental organizations, programs, activities, and functions
10 published by the Comptroller General of the United States;

11 (10) To develop and maintain an annual budget and actual
12 financial information reporting system for political subdivisions
13 that is accessible on-line by the public; ~~and~~

14 (11) When authorized, to conduct joint audits with the
15 Legislative Performance Audit Committee as described in section
16 50-1205; ~~and~~ -

17 (12) To initiate an independent performance audit of the
18 Department of Roads in 2012. The performance audit shall be carried
19 out in accordance with the generally accepted government auditing
20 standards for performance audits contained in the Government Auditing
21 Standards (2007 Revision), published by the Comptroller General of
22 the United States, Government Accountability Office.

23 Sec. 2. Original section 84-304, Reissue Revised Statutes
24 of Nebraska, is repealed.