



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

January 9, 2026

Governor Jim Pillen
State Capitol
Lincoln, NE 68509

Legislative Council
State Capitol
Lincoln, NE 68509

RE: Report of Corrective Actions Investigations and Evaluations

Investigations and evaluations of corrective action responses filed with the Auditor of Public Accounts (APA) are to be reported per Neb. Rev. Stat. § 84-304(3)(b) (Supp. 2025), which says the following:

Any entity, excluding the state colleges and the University of Nebraska, that is audited or examined pursuant to subdivision (3)(a) of this section and that is the subject of a comment and recommendation in a management letter or report issued by the Auditor of Public Accounts shall, on or before six months after the issuance of such letter or report, provide to the Auditor of Public Accounts a detailed written description of any corrective action taken or to be taken in response to the comment and recommendation. The Auditor of Public Accounts may investigate and evaluate the corrective action. The Auditor of Public Accounts shall then electronically submit a report of any findings of such investigation and evaluation to the Governor, the appropriate standing committee of the Legislature, and the Appropriations Committee of the Legislature. The Auditor of Public Accounts shall also ensure that the report is delivered to the Appropriations Committee for entry into the record during the committee's budget hearing process;

For the reports released during the period January 1, 2025, through December 31, 2025, the APA received corrective action plans for 41 of the audit reports issued to various agencies. (See all plans included in **Attachment A**) All of these action plans were or will be verified during subsequent audits, and the results of such audits were or will be reported to the Governor, the appropriate standing committee of the Legislature, and the Appropriations Committee of the Legislature upon issuance of the audits. No special investigations or evaluations of these reports were conducted during the period January 1, 2025, through December 31, 2025.

The table below contains a summary of APA reports issued since January 1, 2025, including the number of findings in each, the corrective action plan due dates, and the date on which the APA received a corrective action plan. When blank, no corrective action plan was received. The audit reports lacking any findings are not applicable (N/A) to the § 84-304(3)(b) reporting requirement and are noted as such. A copy of each audit report issued is available on the APA's website.

Entity Type	FY/CY	Type	Entity/Program of Report	Released Final	# of findings	LB 151 Reporting after 4/28/17	LB 151 Received from Agency
Court	2024	AE	Arthur County Court	3/18/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Brown County Court	3/18/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Keya Paha County Court	3/18/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Otoe County Court	3/18/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Antelope County Court	3/20/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Cherry County Court	3/20/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Adams County Court	3/25/2025	2	10/26/2025	10/16/2025
Court	2024	AE	Seward County Court	3/25/2025	5	10/26/2025	10/16/2025

Entity Type	FY/CY	Type	Entity/Program of Report	Released Final	# of findings	LB 151 Reporting after 4/28/17	LB 151 Received from Agency
Court	2024	AE	Nemaha County Court	3/27/2025	2	10/26/2025	10/16/2025
Court	2024	AE	Knox County Court	3/28/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Morrill County Court	3/28/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Loup County Court	3/31/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Platte County Court	3/31/2025	3	10/26/2025	10/16/2025
Court	2024	AE	Boyd County Court	4/2/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Grant County Court	4/2/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Rock County Court	4/2/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Sheridan County Court	4/2/2025	2	10/26/2025	10/16/2025
Court	2024	AE	Dundy County Court	4/4/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Richardson County Court	4/7/2025	1	10/26/2025	10/16/2025
Court	2024	AE	Sarpy County Court	4/7/2025	3	10/26/2025	10/16/2025
Court	2024	AE	Merrick County Court	4/8/2025	4	10/26/2025	10/16/2025
Court	2024	AE	Furnas County Court	4/11/2025	3	10/26/2025	10/16/2025
Court	2024	AE	Lancaster County Court	4/24/2025	4	10/26/2025	10/16/2025
Court	2024	AE	Douglas County Court	4/28/2025	1	10/26/2025	10/16/2025
Sub-Total Courts Only Subject LB 151 and LB 151 Received					24	24	

Note: One corrective action plan was submitted for all Courts.

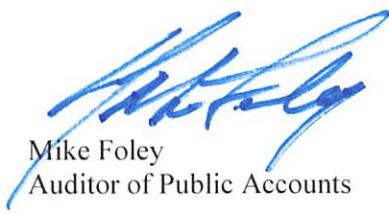
ACFR	2024	ML	Economic Development, Department of - ACFR Management Letter	1/27/2025	1	7/27/2025	
ACFR	2024	ML	Motor Vehicles, Department of - ACFR Management Letter	1/27/2025	1	7/27/2025	7/24/2025
ACFR	2024	ML	Racing & Gaming Commission - ACFR Management Letter	1/29/2025	1	7/29/2025	
ACFR	2024	ML	Supreme Court - ACFR Management Letter	2/3/2025	4	8/3/2025	7/31/2025
ACFR	2024	ML	Correctional Services, Department of - ACFR Management Letter	2/4/2025	4	8/4/2025	7/1/2025
ACFR	2024	ML	Insurance, Department of - ACFR Management Letter	2/4/2025	1	8/4/2025	
ACFR	2024	ML	Military Department - ACFR Management Letter	2/4/2025	2	8/4/2025	
ACFR	2024	ML	Public Employees Retirement Systems - ACFR Management Letter	2/4/2025	2	8/4/2025	
ACFR	2024	ML	State Treasurer - ACFR Management Letter	2/4/2025	1	8/4/2025	
ACFR	2024	ML	Educational Lands and Funds, Board of - ACFR Management Letter	2/5/2025	1	8/5/2025	4/17/2025
ACFR	2024	ML	Workers' Compensation Court - ACFR Management Letter	2/5/2025	1	8/5/2025	
ACFR	2024	ML	Investment Council - ACFR Management Letter	2/6/2025	1	8/6/2025	
ACFR	2024	ML	Education, Department of - ACFR Management Letter	2/10/2025	4	8/10/2025	
ACFR	2024	ML	Environment and Energy, Department of - ACFR Management Letter	2/10/2025	2	8/10/2025	
ACFR	2024	ML	Game and Parks Commission - ACFR Management Letter	2/10/2025	2	8/10/2025	6/18/2025
ACFR	2024	ML	Transportation, Department of - ACFR Management Letter	2/10/2025	3	8/10/2025	8/15/2025
ACFR	2024	ML	Administrative Services, Department of - ACFR Management Letter	2/11/2025	7	8/11/2025	8/5/2025
ACFR	2024	ML	Health and Human Services, Department of - ACFR Management Letter	2/11/2025	10	8/11/2025	
ACFR	2024	ML	Labor, Department of - ACFR Management Letter	2/11/2025	3	8/11/2025	
ACFR	2024	ML	Revenue, Department of - ACFR Management Letter	2/12/2025	5	8/12/2025	6/16/2025
State	2024	Audit	Public Employees Retirement Systems - School Employees, Judges, and State Patrol	2/21/2025	1	8/21/2025	7/28/2025
State	2024	Audit	Environment and Energy - Clean Water State Revolving Fund Program	3/25/2025	1	9/22/2025	3/28/2025
State	2024	Audit	Environment and Energy - Drinking Water State Revolving Fund Program	3/25/2025	1	9/22/2025	3/28/2025
Single	2024	S-Com	Single - Administrative Services, Department of - SEFA	3/25/2025	1	9/22/2025	
Single	2024	S-Com	Single - Administrative Services, Department of - SWCAP	3/25/2025	1	9/22/2025	
Single	2024	S-Com	Single - Education, Department of	3/25/2025	5	9/22/2025	

Entity Type	FY/CY	Type	Entity/Program of Report	Released Final	# of findings	LB 151 Reporting after 4/28/17	LB 151 Received from Agency
Single	2024	S-Com	Single - Game and Parks Commission	3/25/2025	1	9/22/2025	
Single	2024	S-Com	Single - Health and Human Services, Department of - CAP	3/25/2025	4	9/22/2025	
Single	2024	S-Com	Single - Health and Human Services, Department of - Child Care	3/25/2025	4	9/22/2025	
Single	2024	S-Com	Single - Health and Human Services, Department of - Foster Care & Adoption Assistance	3/25/2025	4	9/22/2025	
Single	2024	S-Com	Single - Health and Human Services, Department of - Medicaid/CHIP	3/25/2025	6	9/22/2025	
Single	2024	S-Com	Single - Health and Human Services, Department of - Refugee	3/25/2025	3	9/22/2025	
Single	2024	S-Com	Single - Health and Human Services, Department of - SUPTRS	3/25/2025	2	9/22/2025	
Single	2024	S-Com	Single - Health and Human Services, Department of - TANF	3/25/2025	1	9/22/2025	
Single	2024	S-Com	Single - Labor, Department of - Unemployment Insurance	3/25/2025	5	9/22/2025	
Single	2024	S-Com	Single - Military Department - CSLFRF	3/25/2025	2	9/22/2025	
Single	2024	S-Com	Single - Military Department - Emergency Rental Assistance & PY Follow-Up	3/25/2025	4	9/22/2025	
Single	2024	S-Com	Single - Public Service Commission - Capital Projects Fund	3/25/2025	1	9/22/2025	6/24/2025
Single	2024	S-Com	Single - Transportation, Department of	3/25/2025	1	9/22/2025	9/16/2025
State	2024	AE	Revenue, Department of - Delinquent Tax Balances	4/14/2025	0	N/A	N/A
State	2024	AE	Public Service Commission	5/13/2025	4	11/10/2025	6/24/2025
State	2024	AE	Wheat Development, Utilization, and Marketing Board	5/16/2025	5	11/13/2025	8/11/2025
State	2024	AE	Library Commission	5/22/2025	10	11/19/2025	
State	2024	AE	Accountability and Disclosure Commission	6/23/2025	2	12/21/2025	
State	2024	AE	DAS TSB Vehicle Usage	6/25/2025	6	12/24/2025	
ACFR	2025	EML	Address Book Testing - ACFR Early Management Letter	6/30/2025	10	12/28/2025	Note
State	2024	AE	African American Affairs Commission	7/11/2025	7	1/8/2026	
State	2024	AE	Corn Board	7/29/2025	6	1/26/2026	7/28/2025
State	2025	Audit	Dairy Board	7/29/2025	0	N/A	N/A
State	2024	AE	Supreme Court - Administrative Office of Probation	8/4/2025	15	2/1/2026	
State	2024	AE	Electrical Division	8/7/2025	5	2/4/2026	10/20/2025
State	2025	AE	Abstractors Board of Examiners	9/22/2025	6	3/22/2026	
State	2024	AE	DHHS ABA	9/23/2025	6	3/23/2026	
State	2024	Audit	Public Employees Retirement Systems - School Employees - GASB 68	9/24/2025	0	N/A	N/A
State	2024	Audit	Public Employees Retirement Systems - Omaha School Employees Retirement Plan (OSERS)	10/1/2025	9	3/30/2026	
State	2024	AE	DHHS Payments to Karen Society of Nebraska	10/14/2025	6	4/13/2026	
State	2024	Audit	Public Employees Retirement Systems - County Employees - GASB 68	10/14/2025	0	N/A	N/A
State	2024	Audit	Public Employees Retirement Systems - State and County Employees	10/14/2025	1	4/13/2026	
State	2025	Audit	Lottery, Department of Revenue	10/20/2025	1	4/19/2026	
ACFR	2025	EML	Revenue, Department of - ACFR Early Management Letter	11/17/2025	1	5/17/2026	
Single	2025	EML	Single - Health and Human Services, Department of - Medicaid - Early Management Letter	12/1/2025	1	5/31/2026	
			Sub-Total Other-Not Courts Subject LB 151 and LB 151 Received (Does not include N/A)			57	17
			Total Reports Subject LB 151 and LB 151 Received (Does not include N/A)			81	41
			31 (red) not received and 9 (green) not yet due.			To Be Received	40

Note: 15 State agencies (Department of Administrative Services; Attorney General; Brand Committee; Corn Board; Department of Correctional Services; Department of Environment and Energy; Department of Health and Human Services; Legislative Council; Nebraska Public Employees Retirement Systems; Real Estate Commission; Supreme Court; Tax Equalization and Review Commission; Department of Transportation; Department of Veterans' Affairs; and Workers' Compensation Court) were required to submit corrective action plans. Corrective action responses were only received from three of these agencies (Brand Committee – 12/29/2025; Department of Correctional Services – 11/29/2025; and Supreme Court – 12/17/2025).

If you have questions, please feel free to contact us at (402) 471-2111.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Foley".

Mike Foley
Auditor of Public Accounts

Attachment

AUDIT REPORT OF THE NEBRASKA DEPARTMENT OF ENVIRONMENT AND ENERGY

CLEAN WATER STATE REVOLVING FUND PROGRAM

JULY 1, 2023, THROUGH JUNE 30, 2024

Received March 28, 2025 – Department of Environment and Energy corrective action plan.

The Department agrees with the audit findings stated in the report and will continue to strengthen procedures related to the preparation and presentation of the State Revolving Fund Clean Water and Drinking Water (SRF CW/DW) financial statements. These procedures will also help strengthen the Management Discussion and Analysis as well as the Notes to the Financial Statements. We anticipate having the improved procedures in place for the upcoming SFY 25 SRF CW/DW financial statement preparation.

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

AUDIT REPORT OF THE NEBRASKA DEPARTMENT OF ENVIRONMENT AND ENERGY

DRINKING WATER STATE REVOLVING FUND PROGRAM

JULY 1, 2023, THROUGH JUNE 30, 2024

Received March 28, 2025 – Department of Environment and Energy corrective action plan.

The Department agrees with the audit findings stated in the report and will continue to strengthen procedures related to the preparation and presentation of the State Revolving Fund Clean Water and Drinking Water (SRF CW/DW) financial statements. These procedures will also help strengthen the Management Discussion and Analysis as well as the Notes to the Financial Statements. We anticipate having the improved procedures in place for the upcoming SFY 25 SRF CW/DW financial statement preparation.

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT MANAGEMENT LETTER –
NEBRASKA BOARD OF EDUCATIONAL LANDS AND FUNDS – ISSUED FEBRUARY 5, 2025**

Received April 17, 2025 – Board of Educational Lands and Funds corrective action plan.

Board of Educational Lands and Funds – Corrective Action Plan – ACFR FYE 06/30/24

Corrective Action Plan: The Board will accrue any tax return credits each year on the ACFR Accrual Response Form. The Board will reconcile supporting documentation with the General Ledger to aid in accurate reporting in the Accounting System. Upon receipt of the Treasury Warrant the Board will request supporting documentation from the Department of Revenue to identify any variances.

Contact: Kelly Jo Lambert

Anticipated Completion Date: Ongoing, as the property tax policies are continuously updated.

Corrective Action Plan: The Board will continue to update and review procedures to identify any data entry errors when creating the Land Valuation Reporting documentation.

Contact: Kelly Jo Lambert

Anticipated Completion Date: August 2025 and thereafter.

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT MANAGEMENT LETTER –**NEBRASKA DEPARTMENT OF REVENUE – ISSUED FEBRUARY 12, 2025**

Received June 16, 2025 – Department of Revenue corrective action plan.



Good Life. Great Service.

DEPARTMENT OF REVENUE

June 16, 2025

Mike Foley, State Auditor
 PO Box 98917
 State Capitol, Suite 2303
 Lincoln, NE 68509

Dear Auditor Foley:

This letter is to serve as the corrective action response to the recommendation that was reported for the Nebraska Department of Revenue (DOR) audit for the period July 1, 2023 through June 30, 2024.

1. Financial Statement Errors:

- Municipal taxes were not recorded in a custodial fund.
- Municipal taxes payable to cities were not properly reported for accrual.
- Corporate tax receivables, Sales/Use tax, Motor Vehicle Sales & Nameplate receivables were understated.
- Nameplate capacity taxes were not recorded as tax revenue and disbursements.
- A Fiduciary income tax return was not accrued correctly.

2. Nebraska Advantage Act Issues:

- Ensure adequate documentation exist to support figures reported on the annual report Form 312N and periodically review the support documentation provided to ensure the accuracy of the investment and compensation credits earned.
- Issuing extension agreements through Form 872N is subject to specific parameters consistent with legislative intent.

3. Homestead Exemption Issues:

- Homestead disbursements lack internal controls over the program.

4. Delinquent Tax Assessments collection efforts:

- Lack of collection.

5. Mainframe Application Issues:

- Users with elevated access.

Corrective action:

- The DOR will continue to work with State Accounting to ensure that custodial funds are classified correctly. The DOR will also more closely review receivables and payables so that year-end accruals are reported properly. In addition to the above, DOR finance staff attended training provided by State Accounting regarding custodial and accrual reporting.

Mike Foley, State Auditor
June 16, 2025

Page 2

- The DOR will review the fiduciary return filing to ensure amounts are accrued correctly.
- The DOR has updated its policy for approving an 872N limiting the approval process to public servants classified at higher levels. DOR has also provided examples within the procedure clarifying when it is acceptable for DOR to enter into an 872N with a Taxpayer. Also, DOR has developed a procedure and updated its Audit Program for all audits across Compliance that explains DOR's process and usage of Audit Programs. DOR is also working with public servants within our incentive areas on 312N processing procedures as well as developing 1107N processing procedures.
- The DOR implemented a process to audit Homestead reimbursements to counties. The process is to calculate the maximum amount of reimbursement a county can seek based on the approved applications in DOR's database and verified those amounts against 2024 homestead tax loss requests from counties. Homestead tax loss requests were balanced to within 0.3% of the amount requested by counties. A procedure is in place for annual audits of homestead tax loss.
- DOR is working with our Collections Division to ensure prioritization is occurring with delinquent accounts.
- Users with elevated access were reviewed and conflicting access was removed immediately.

Sincerely,



James R. Kamm
Tax Commissioner

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT MANAGEMENT LETTER –
NEBRASKA GAME AND PARKS COMMISSION – ISSUED FEBRUARY 10, 2025**

Received June 18, 2025 – Game and Parks Commission corrective action plan.



2200 N. 33rd St. • P.O. Box 30370 • Lincoln, NE 68503-0370 • Phone: 402-471-0641
June 18, 2025

Mr. Mike Foley
Auditor of Public Accounts
State Capitol, Suite 2303
Lincoln, NE 68509-8917

Dear Mr. Foley,

Below you will find the corrective action plans associated with comments and recommendations issued to the Nebraska Game and Parks Commission on December 18, 2024. These corrective action plans and the related corrective actions were communicated to the Auditor of Public Accounts on February 7, 2025 in conjunction with the Commission Responses. The State Statute 84-304(3)(b) requires this information to be submitted after the issuance of the management letter resulting in the unanticipated delay in our communication.

Finding:

1. Capital Asset Reporting Errors

The Commission is responsible for recording capital asset information into the State's accounting system, as well as reporting construction-in-progress (CIP), commitments, retainage, and other capital asset-related information to the Department of Administrative Services – State Accounting Division (State Accounting) for proper financial statement and footnote presentation.

During our testing of capital assets for the fiscal year 2024, we identified errors in the capital asset information reported to State Accounting that required adjustments to the financial statements or footnotes. Specifically, we noted the following:

Description of Error	Amount
For three projects tested, the Commission neglected to report the projects as substantially complete. When projects are identified as substantially complete, costs are moved from the CIP accounts to the capital asset accounts. As a result, the beginning CIP balance was overstated by \$944,548 and CIP deletions and infrastructure additions to the assets were both understated by \$2,737,504. These errors also resulted in accumulated depreciation of infrastructure being understated \$88,423.	\$ 3,770,475
For seven projects tested, the Commission failed to properly report \$2,308,500 in construction commitments for the Construction Commitments Footnote. Construction commitments are contractual obligations related to a project that has not yet been paid.	\$ 2,308,500
Total Adjustments	\$ 6,078,975

The Auditor of Public Accounts (APA) proposed and State Accounting posted entries to correct the above errors.

In addition to those errors, the following table details other accounting issues and financial statement errors that did not require adjustments to the financial statements due to their relative insignificance or because there was little to no financial statement effect.

Description of Error	Amount
The Commission inaccurately reported to State Accounting the CIP balances for four projects, which resulted in an understatement to beginning balance of \$48,967 and understatements to additions and deletions of \$1,707,740 and \$1,659,205, respectively. When considered with errors noted with other State agencies, the net effect on the financial statements was insignificant.	\$ 3,415,912
The Commission failed to report costs for three building projects to State Accounting, which resulted in an understatement of \$169,463 in the Buildings asset.	\$ 169,463
For six projects tested, the Commission incorrectly recorded \$4,323,811 in payments in the accounting system to operating expenditure accounts rather than to the correct CIP accounts. However, the Commission reported these projects as CIP on their accrual response form or the project was previously reported in the prior year; therefore, no financial statement adjustment was necessary because the projects were known to State Accounting.	\$ 4,323,811
The Commission incorrectly reported retainage on its accrual response form for three projects tested, resulting in an overstatement of retainage payable of \$117,742.	\$ 117,742

Corrective Action:

NGPC Budget and Engineering have met regarding the CIP process. We believe we have developed a plan to prevent omissions and to correctly report substantially complete assets.

Status:

NGPC Budget and Engineering have discussed projects that need to be included on the CIP report. We are transferring projects to fixed assets as they become substantially complete.

2. Outstanding Liquidated Damages

1. Outstanding Liquidated Damages

The APA completes an attestation engagement on a rotational basis for each of the State's county courts, which are under the jurisdiction of the Nebraska Supreme Court (Supreme Court). During these attestation engagements, the APA's review of the Overdue Case Balance Reports identified several cases with liquidated damages balances. Some of these cases date back more than 20 years.

The liquidated damages are paid into the State Game Fund, under control of the Commission. Neither the Supreme Court, nor the Commission can produce an accurate report of all liquidated damages.

As of June 30, 2024, the Commission's report from its database of tickets issued included \$203,401 in liquidated damages. However, the Supreme Court's report showed the total amount owed as \$78,076. Even though the judgments are entered by the courts, the Commission should ensure the listing is accurate to ensure the proper collection and receipt of the damages. Neb. Rev. Stat. § 37-613(1) (Cum. Supp. 2024) establishes the amount of certain liquidated damages and states, "Any person who sells, purchases, takes, or possesses contrary to the Game Law any wildlife shall be liable to the State of Nebraska for the damages caused thereby."

Neb. Rev. Stat. § 37-601 (Reissue 2016) requires the prosecution of all persons charged with violating the Game Law, as follows:

All prosecutions for violations of the Game Law shall be brought in the name of the State of Nebraska before any court having jurisdiction thereof. It shall be the duty of all prosecuting attorneys in their respective jurisdictions to prosecute all persons charged with violations of the Game Law.

Furthermore, § 37-613(3) tasks the courts with collecting liquidated damages upon conviction: *Such damages may be collected by the commission by civil action. In every case of conviction for any of such offenses, the court or magistrate before whom such conviction is obtained shall further enter judgment in favor of the State of Nebraska and against the defendant for liquidated damages in the amount set forth in this section and collect such damages by execution or*

otherwise. Failure to obtain conviction on a criminal charge shall not bar a separate civil action for such liquidated damages. Damages collected pursuant to this section shall be remitted to the secretary of the commission who shall remit them to the State Treasurer for credit to the State Game Fund.

Without proper procedures to ensure an accurate listing of outstanding liquidated damages is maintained, there is an increased risk for loss of funds to be credited to the Game Fund.

This issue was noted in the prior management letter.

Corrective Action:

NGPC has already begun working with the Supreme Court on the development of a web application in which data can be shared between agencies. When complete, this should eliminate the undue administrative burden and inaccuracies we currently face.

Status:

NGPC has continued progress on the in-house web application development. This will allow our agencies to track cases more accurately. Implementation is estimated to take place November 2025.

Should you have any further issues, please do not hesitate to contact our agency.
Respectfully,



Tim McCoy
Director

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2024 NEBRASKA STATEWIDE SINGLE AUDIT –
NEBRASKA PUBLIC SERVICE COMMISSION – ISSUED MARCH 25, 2025**

Received June 24, 2025 – Public Service Commission corrective action plan.

Public Service Commission

Single Audit Finding-2024-072

Corrective Action Plan

Recommendation: “We recommend the Agency improve its procedures to include tracing estimated costs of a project to historical costs for similar projects, unit pricing data, or other documentation”.

The Public Service Commission was in the process of doing the preliminary work on a second round of awards at the time that this recommendation was proposed during the 2023/2024 audit field work. The second round of awards was to be governed by the same rules as round one. Therefore, we initiated modifications to better standardize the budget data gathering, and review processes at that time. **Exhibit 1** (attached) is the Budget Template document that was developed to capture additional standardized budget information. **Exhibit 2** are the associated instructions.

It should be noted that we've also incorporated this document in all Non-Federal awards as well. We feel that while the source of funding is different, the actual costs associated with like projects can provide additional relevant comparative data. When outliers are identified we'll proceed as we have in the past, with follow-up inquiries, to resolve any cost issues prior to any award. While we have significant history with many recipients and subrecipients, this standardization of information has enhanced our data collection and analysis capabilities.

Nebraska Capital Projects Fund

Budget Template

Applicant Name:

Project Name:

Match Contribution %

Total Costs \$0.00

Total Allowable Costs \$0.00

Budget Summary							
Category of Expense	Expense Type	Quantity	Cost Per Item	Total Expense	Match Contribution	Grant Request	Brief Explanation
Design and Engineering	Design of Network		per hour/fixed	\$0.00	\$0.00	\$0.00	
	Engineering of Network		per hour/fixed	\$0.00	\$0.00	\$0.00	
Permitting Approval	Obtain Easements		Per easement	\$0.00	\$0.00	\$0.00	
	Obtain Right of Way		Per ROW	\$0.00	\$0.00	\$0.00	
	Obtain Permit		Per Permit	\$0.00	\$0.00	\$0.00	
Construction Materials	Fiber		Per foot	\$0.00	\$0.00	\$0.00	
	Conduit		Per foot	\$0.00	\$0.00	\$0.00	
	Tower		Per tower	\$0.00	\$0.00	\$0.00	
	Antenna		Per antenna	\$0.00	\$0.00	\$0.00	
	Vault / Flowerpots / etc.		Per unit	\$0.00	\$0.00	\$0.00	
	Make Ready Materials		Per foot	\$0.00	\$0.00	\$0.00	
Network Equipment	Switching Equipment		Per unit	\$0.00	\$0.00	\$0.00	
	Routing Equipment		Per unit	\$0.00	\$0.00	\$0.00	
	Optical Equipment		Per unit	\$0.00	\$0.00	\$0.00	
	Customer Premise Equipment		Per unit	\$0.00	\$0.00	\$0.00	
Construction of Network	Directional Drilling / Boring		Per foot	\$0.00	\$0.00	\$0.00	
	Trenching		Per foot	\$0.00	\$0.00	\$0.00	
	Aerial Deployment		Per foot	\$0.00	\$0.00	\$0.00	
	Deploy Electronics		Per unit	\$0.00	\$0.00	\$0.00	
	Customer Drops		Per unit	\$0.00	\$0.00	\$0.00	
Disallowed Expenses	Real Estate Purchase		Per unit	\$0.00	\$0.00	\$0.00	
	General and administrative		per hour	\$0.00	\$0.00	\$0.00	
	Other (explain)			\$0.00	\$0.00	\$0.00	

Exhibit 2

Do not modify the Budget Template by adding additional line items.

Only provide information for the line items for which you will incur allowable expenses. For example, an all-fiber project would not incur expenses for a Tower or Antenna. Indicate 0 quantity and 0 cost per item.

Disclose disallowed expenses projected for the project.

The Budget will be updated regularly through the Subrecipient Quarterly Report for the Applications that are approved for CPF-2 funding.

Utilize the brief explanation field to explain what projected expenses are included in the calculation of the cost for the Expense Type. For example, for "Obtain Easement" you may indicate that "Projected expense for easement includes the cost to obtain Easement from the Lower Platte Resource District along Highway 31 in the Project Area." For "Make Ready Materials" you may indicate that "Projected expense for Make Ready Material includes all concrete, rock, ground rod, wire, case clamp".

The Budget Template is designed to capture data from all Applicants in a similar fashion. Applicants are encouraged to provide best guess estimates for the Expense Types that will be applicable to the Project Area. The Commission will review costs based on the information provided in the Budget Template.

If an Application is chosen to receive funding through CPF-2, the award will be based on the information provided in the Budget Template. If actual costs are greater in one Expense Type, and under in a different Expense Type, funding will be re-allocated within the approved Project Budget.

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT MANAGEMENT LETTER –
NEBRASKA DEPARTMENT OF CORRECTIONAL SERVICES – ISSUED FEBRUARY 4, 2025**

Received July 1, 2025 – Department of Correctional Services corrective action plan.

NEBRASKA

Good Life. Great Mission.

DEPT OF CORRECTIONAL SERVICES



Jim Pillen, Governor

TO: Mike Foley, Auditor of Public Accounts

FROM: Robin Spindler, Deputy Director, Administrative Services

DATE: July 1, 2025

RE: Corrective Action Plan for Findings of ACFR Management Letter for FY2024

Listed below is the corrective action plan for the findings from the ACFR Management Letter for FY 2024.

1. Lack of Inventory Valuation Procedures

Corrective Action Plan:

NDCS agrees physical counts of inventory should be performed. NDCS conducted physical count inventories for Cornhusker State Industries, and such will occur on a regular basis. Further, the detailed inventory listing was generated as of the fiscal year-end and verified that those amounts reconcile to the accounting system.

2. Capital Asset Errors

Corrective Action Plan:

NDCS accounting strives to be as accurate as possible. Procedures were reviewed with applicable team members to ensure costs are recorded properly and timely, acquisition dates are accurate, adequate supporting documentation is maintained, and invoices are paid in a timely manner.

3. Missing Fiscal Year 2023 Accrual and Review of Revenues

Corrective Action Plan:

Again, NDCS accounting strives to be as accurate as possible. Procedures were reviewed with applicable team members and that the accounting reports are reviewed to ensure accuracy.

Rob Jeffreys, Director
Department of Correctional Services

P.O. Box 94661 Lincoln, NE 68509-4661
Phone: 402-471-2654 Fax: 402-479-5623
corrections.nebraska.gov

4. Payroll Issues

NDCS provided the following response to the ACFR Management Letter for 2024:

Based on the Fair Labor standards Act, exempt employees must receive the full salary for any week in which the employee performs any work without regard to the number of days or hours worked, unless exceptions are met. The exception reporting of leave is an appropriate process for exempt employees. They are expected to work 40 hours per week, except when taking leave, and often work more than 40 hours per week.

NDCS Payroll strives to be accurate in recording all payroll entries.

NDCS pays shift differential based on the actual time worked and in accordance with the applicable labor contracts. NDCS payroll strives to be accurate in recording all payroll entries.

No corrective action is necessary.

Cc: Rob Jeffreys, Director
Diane Sabatka-Rine, Assistant Director
Melissa Languis, Controller

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT MANAGEMENT LETTER –
NEBRASKA DEPARTMENT OF MOTOR VEHICLES – ISSUED JANUARY 27, 2025**

Received July 24, 2025 – Department of Motor Vehicles corrective action plan.



Good Life. Great Future.

DEPARTMENT OF MOTOR VEHICLES

July 24, 2025

Mike Foley, State Auditor
Nebraska Auditor of Public Accounts
State Capitol, Suite 2303
P.O. Box 98917
Lincoln, NE 68509-8917

Dar Auditor Foley:

The Department of Motor Vehicles is in receipt of the management letter for the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2024, and published January 27, 2025. Please accept this abatement document relating to the comment and recommendation for the year ended June 30, 2024.

Motor Carrier Services Control Issues

We recommend the Department implement procedures to ensure an adequate segregation of duties exists to prevent any one user from processing changes without additional review and approval thereof. We also recommend the Department ensure more than one individual is strained to provide support to the MCS System.

Department Response: The system which is used for Motor Carrier Services was moved to a new modernized platform in May of 2025. The new system allows for the proper controls to ensure adequate segregation of duties. In addition, the system is supported by the vendor through a maintenance agreement which ensures there are multiple individuals who can support the system.

The Department of Motor Vehicles requests this document to be secured in conjunction with the above-mentioned report and retained for the same period of time.

Regards,

Rhonda K. Lahm, Director
Nebraska Department of Motor Vehicles

Rhonda K. Lathrop, Director

Department of Motor Vehicles

P.O. Box 94789
301 Centennial Mall South

Lincoln, Nebraska 68509

dmv.nebraska.gov

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THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**ATTESTATION REPORT OF THE NEBRASKA CORN DEVELOPMENT, UTILIZATION,
AND MARKETING BOARD**

JANUARY 1, 2024, THROUGH DECEMBER 31, 2024

Received July 28, 2025 – Corn Development, Utilization, and Marketing Board corrective action plan.



July 28, 2025

Honorable Mike Foley
Auditor of Public Accounts
State Capitol, Suite 2303
P.O. Box 98917
Lincoln, NE 68509-8917

Dear Auditor Foley:

Thank you for the opportunity to respond to the attestation report. Your team's thorough review of our expenditures and the recommendations provided are greatly appreciated. Below are outlined any clarifications and our responses to address the comments, ensuring continued judicious use of corn producer checkoff funds.

Insufficient fund balance and untimely payment

We acknowledge and are aware of the statutory requirements of timely payments once received into our office. Upon notification of the insufficient balance, we confirmed delayed payment with the payee, who understood the situation. To prevent similar instances, a review of fund balances will be incorporated into future procedures.

Meal expenditures

As noted in the attestation, all meal expenditures were considered a part of official functions per the Board's policies, which were originally developed in consultation with DAS. As further noted, we have already taken internal steps with verbal and/or written reminders of the GSA rate for the destination to meeting attendees from our business manager. Annually, we will review policies surrounding p-card usage with board and staff members and update policies as necessary. Additionally, we will adequately document, as needed, single-day meal usage as required by the IRS.

Other p-card and travel expenditure issues

We will review our policies as it relates to other p-card comments, in addition to reviewing p-card usage and terminating any cards that are not being utilized or activated.

245 Fallbrook Blvd
Suite 204
Lincoln, NE 68521
(402) 471-2676
nebraskacorn.gov

**Contracts**

The Board takes contract reviews and procedures seriously. Notably, the Board has requested AND received sole source deviations in the past for all the contracts noted in the attestation, with the exception of the year mentioned, due to staffing turnover. It should also be noted that portions of the agreements/contracts were on the state's database as required. Following being made aware that other portions needed to be included, we added the additional information and have noted the necessary materials for future reference. We have also initiated a conversation with DAS as it relates to the determination of how the contracts should be categorized, which may inform future procedures.

Other compliance issues

An annual reminder regarding statements of financial interest has been implemented, and relevant deadlines will be communicated to board members and staff required to complete the forms. Additionally, we will consolidate all electronic files for an annual report into one location, versus being in separate locations.

Permanently assigned vehicles

Upon notification that an updated contract had not been completed, we have initiated conversations about a contract or options.

In closing, our response reaffirms our board's fiduciary responsibilities to Nebraska corn farmers who invest in the corn checkoff program. Through annual reviews of policies, procedures and our partnership with the Nebraska Department of Agriculture, we will continue to uphold this responsibility and make updates as necessary.

Regards,

A handwritten signature in black ink, appearing to read "Brandon Hunnicutt".

Brandon Hunnicutt
Chairman

A handwritten signature in purple ink, appearing to read "Kelly Brunkhorst".

Kelly Brunkhorst
Executive Director

245 Fallbrook Blvd
Suite 204
Lincoln, NE 68521
(402) 471-2676
nebraskacorn.gov

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**AUDIT REPORT OF THE NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS –
SCHOOL EMPLOYEES, JUDGES, AND STATE PATROL RETIREMENT PLANS**

JULY 1, 2023, THROUGH JUNE 30, 2024

Received July 28, 2025 – Public Employees Retirement Systems corrective action plan.



1526 K Street, Suite 400
P.O. Box 94816
Lincoln, NE 68509-4816
Phone: 402-471-2053
Toll Free: 800-245-5712
Fax: 402-471-9493
npers.ne.gov

AGENCY CORRECTIVE ACTION PLAN

NEBRASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEMS

Corrective Action Plan: We have been working to make sure that accrual entries will be accurate and footnotes will not contain errors. Procedures have been strengthened to make sure that errors do not occur.

We worked with the Legislative Fiscal Office, State Budget, the State Treasurer's Office and the Legislative Retirement Committee to resolve the issue of the Judges Retirement Plan Appropriation issue.

The review for the State Patrol DROP entries has been strengthened.

Contact: Teresa Zulauf teresa.zulauf@nebraska.gov

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT MANAGEMENT LETTER –

NEBRASKA SUPREME COURT – ISSUED FEBRUARY 3, 2025

Received July 31, 2025 – Supreme Court corrective action plan.

Corey R. Steel
State Court Administrator



Gene Cotter
State Probation Administrator

July 31, 2025

Mike Foley
Nebraska Auditor of Public Accounts
State Capitol, Suite 2303
Lincoln, NE 68509-8917

Dear Auditor Foley:

Neb. Rev. Stat. §84-304(3)(b) requires entities to describe the corrective actions taken or to be taken in response to audits conducted by the Auditor of Public Accounts. This letter is intended to meet that requirement for the July 1, 2023, through June 30, 2024, ACFR Management Letter released February 3, 2025.

1. Expenditures Recorded in the Wrong Fiscal Year

The Supreme Court Finance Office has started recording all prior year transactions in EnterpriseOne as P9/J9.

2. Court Order Approval

Improvements to Judicial Branch onboarding are being developed that will streamline the process for requesting access. In addition, information has been prepared for the courts regarding a DOCKET inquiry screen.

3. Asset Value and Completion Date Error

The Administrative Office of the Courts and Probation (AOCP) has been working to improve internal communication and asset recording accuracy.

4. Outstanding Liquidated Damages

The AOCP is continuing to work on next steps with the Game and Parks Commission.

Please contact me if you have further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey R. Steel".

Corey R. Steel
State Court Administrator

Administrative Office of the Courts & Probation
P. O. Box 98910, Lincoln, Nebraska 68509-8910
www.supremecourt.nebraska.gov
Phone (402) 471-3730
Fax (402) 471-2197

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT MANAGEMENT LETTER –
NEBRASKA DEPARTMENT OF ADMINISTRATIVE SERVICES – ISSUED FEBRUARY 11, 2025**

Received August 5, 2025 – Department of Administrative Services corrective action plan.



Jim Pillen, Governor

August 5, 2025

Honorable Mike Foley
Auditor of Public Accounts
State Capitol, Suite 2303
Lincoln, NE 68509

Dear Auditor Foley:

In accordance with Neb. Rev. Stat. § 84-304(3)(b), please find below the Department of Administrative Services written description of corrective action taken, or to be taken, in response to comments and recommendations found in the management letter report issued by the State Auditor related to the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

Entity Type	FY/ CY	Type	Entity/Program of Report	Released Final	Number of Findings
ACFR	2024	ML	Administrative Services, Department of – ACFR Management Letter	2/11/2025	7

1. Significant Annual Comprehensive Financial Report (ACFR) Preparation Issues

DAS Response: We continue to strive for year-over-year reduction of errors and repeat findings. We are continuing to work with agencies to address findings noted during the previous audit period to improve reporting and accounting procedures. Meetings have been held with agencies that received management letter findings to discuss procedural changes needed for the latest reporting cycle.

2. Repeat Accounting Weaknesses for the Unemployment Insurance Fund

DAS Response: We continue to assist NDOL as they refine procedures to ensure reporting accuracy including reconciliations between its systems and the State accounting system.

Philip J. Olsen, CPA

Administrator

Department of Administrative Services | STATE ACCOUNTING

P.O. Box 94664
Lincoln, Nebraska 68509-4664

1526 K Street, Ste. 190
Lincoln, Nebraska 68508

Office: 402-471-2581

das.nebraska.gov

3. Capital Asset Accounting Errors

DAS Response: We will continue to work with the agencies to address findings, to reduce repeat findings, and improve reporting and accounting procedures. Meetings have been held with agencies that received management letter findings to discuss procedural changes needed for the latest reporting cycle.

4. EnterpriseOne Timesheets

DAS Response: Timesheet images are maintained in EnterpriseOne until the payroll is processed; however, the electronic data is maintained in EnterpriseOne indefinitely. Agencies choosing to delegate time approval are trained to maintain documentation when a delegate approves time. Under federal law, exempt employees do not need to track their hours. DAS is weighing the risks identified with the cost of implementing a new time-tracking and payroll system.

5. Changes to Vendor and Banking Information

DAS Response: In December 2024, the W-9 form was revised to include agency review with a secondary approval sign-off.

6. Other Internal Control Issues

DAS Response: The imprest payroll fund is reconciled in total; the issue at hand is at the account level due to the way in which past activity was recorded upon receipt versus payment. State Accounting has continued to reconcile the imprest payroll fund leading to a significant reduction in account balance differences. The OCIO provided new rates for the 2025-2026 through 2026-2027 biennium. W-4 instructions were updated in April 2024 to help prevent errors.

7. State Accounting System – Special Handle a Voucher

DAS Response: Use of this process to more efficiently correct voucher issues is granted to a large user base. If the vendor/payee is changed on a voucher, a system forced process requires a DAS teammate to complete a review, and documentation from the agency is retained. This control reduces the risk for the occurrence of errors or fraud to an acceptable level. As noted in the finding, only two users had access to the payee control-approval process, Special Handle a Voucher, and vendor address book records. These users have management responsibilities over accounts payable and address book teams.

Sincerely,



Philip J. Olsen
State Accounting Administrator

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**ATTESTATION REPORT OF THE NEBRASKA WHEAT DEVELOPMENT, UTILIZATION,
AND MARKETING BOARD**

JANUARY 1, 2024, THROUGH DECEMBER 31, 2024

Received August 11, 2025 – Wheat Development, Utilization, and Marketing Board corrective action plan.

Board Response:

Use of a purchasing card (P-card) for group meals that exceeded the per diem rates:

We acknowledge the findings regarding group meal costs exceeding per diem guidelines. While the group meals in question are deemed reasonable use of the P-card, were justified official functions of the board – hosting trade teams, engaging stakeholders, and supporting strategic discussions – we understand the importance of adhering to established per diem guidelines. Moving forward, we will make every effort to stay within those rates whenever possible and will work to ensure our internal policies remain aligned with state requirements.

The use of the P-card followed the training and direction provided, with a focus on improving efficiency, enhancing record-keeping, and reducing the administrative burden. This method is especially effective for group meals, where restaurants often do not allow separate checks. The P-card ensures accuracy in documentation and timely reconciliation of expenses.

As wheat is a food crop, food-based gatherings play a meaningful role in our outreach, education, and marketing efforts. Our volunteer board members generously donate their time and expertise – often at personal cost – and it is our responsibility to ensure they are not financially burdened by their service. We are committed to strong stewardship of public funds and will continue to evaluate and improve our procedures accordingly.

Sales Tax on Meal Purchases:

We acknowledge the concern regarding the inclusion of sales tax on meal expenses. When appropriate and feasible, efforts should be made to have sales tax removed from qualifying meal purchases. Moving forward, we will make a more concerted effort to request tax exemption at restaurants and venues where it is applicable and accepted. We understand the importance of adhering to state guidelines and will continue to reinforce this practice with staff and board members.

Travel Mode Selection:

In certain cases, staff or board members elected to drive rather than fly based on scheduling, convenience, health issues, or the specific needs of the trip. While these decisions were made in good faith and the intentions of fulfilling our responsibilities efficiently, we understand the importance of consistently evaluating the most economical travel options. Going forward, we will make a more deliberate effort in evaluating travel modes, prioritizing cost-efficiency while also considering time, logistics, and mission-related factors that influence these decisions.

Airport Parking:

We recognize the concern and in certain instances, decisions were made based on logistical, operational, safety, and security considerations. In evaluating parking options, we consider not only cost but also the potential implications of weather, efficiency, or lost productivity. In some cases, the slightly higher cost of garage parking is offset by greater efficiency and reduced risk. Nonetheless, we are committed to fiscal responsibility and will continue to explore more economical parking alternatives whenever schedules and conditions permit. However, when operational needs warrant it, garage parking may still be the most appropriate and cost-effective choice.

One-Day Travel:

We acknowledge the importance of closely monitoring costs associated with single-day trips. While these trips are often necessary to fulfill time-sensitive or critical responsibilities, we recognize the need to ensure that related

expenses remain reasonable and well-documented. Moving forward, we will be more intentional in planning one-day travel, with increased attention to cost-effectiveness, justification of purpose, and alignment with policy guidelines.

In closing, we remain committed to transparency, compliance, and the prudent use of public funds. We are taking these recommendations seriously and will continue to improve our internal processes to align with best practices and state requirements.

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT MANAGEMENT LETTER –
NEBRASKA DEPARTMENT OF TRANSPORTATION – ISSUED FEBRUARY 10, 2025**

Received August 15, 2025 – Department of Transportation corrective action plan.

NDOT FY2024 ACFR Responses

#1. Capital Asset Issues

Auditor's recommendation: We recommend the Department implement procedures to ensure that the capital asset amounts reported in the financial statements are complete and accurate. These procedures would include implementing a reconciliation between their system and the State's accounting system, developing a complete asset listing, and reviewing the no cost integrity reports within the accounting system to ensure all costs are appropriately attached.

Management's Response: NDOT agrees and will implement stringent procedures to ensure that the capital asset amounts reported in the financial statements align precisely with the records in the state's accounting system.

Partial Corrective Action Taken: Findings for FY24 for buildings and land along with any transactions outstanding on the no cost integrity report have been reconciled and they align with the records in the State's accounting system.

For equipment, NDOT has completed a reconciliation to the information provided by the APA. NDOT has collaborated with the APA to discuss the discrepancies between the APA's analysis and NDOT's analysis. The equipment portion is yet to be completed as collaboration is still ongoing with the APA.

For FY25 NDOT reviewed the no cost integrity report and the unposted fixed asset report within the State's accounting system.

Contact: Lily Kathee, Jenessa Boynton

Anticipated Completion Date: Ongoing

Corrective Action Planned: For land and buildings in FY25 NDOT will reconcile and align with the records in the State's accounting system once NDOT's General Ledger reconciliation is completed by end of July 2025. This has since been completed.

#2. Year End Financial Information Errors

Auditor's recommendation: We recommend the Department implement procedures to ensure the accuracy of the financial information reported to State Accounting. This would include a documented review and approval of the reported accruals by both the Budget and Finance Manager and the Chief Financial Officer.

Management's Response: No agency funds were expended due to year-end reporting errors; consequently, no funds ever left the agency. NDOT will maintain rigorous oversight and ensure a thorough review of accruals each fiscal year.

NDOT promptly corrected the \$4,000,000 recording error related to the purchase of property rights, and no formal adjustment was proposed by the APA.

The \$1,803,507 payroll additive issue had no impact on the financial statements, as the expenditures were consolidated within the same major fund and function. This issue has since been addressed and will remain accurate moving forward.

Regarding the retainage payable, the requested adjustment was reduced by the APA from \$8,271,969 to \$2,748,471.

Partial Corrective Action Taken: Controller Division drafted Standard Operating Procedure (SOP) for the ACFR process. On-going training for staff assigned to new tasks, cross-training to ensure continuity of financial operations within NDOT.

Contact: Jenessa Boynton

Anticipated Completion Date: Ongoing

Corrective Action Planned: NDOT will include additional teammates in the preparation, review, and oversight of the information generated for the Annual Comprehensive Financial Report. In addition, prior to submission of the accrual response form to DAS State Accounting, NDOT will review with DAS State Accounting questions related to the accuracy of the information to be submitted.

#3. Vehicle Logs and Payroll Issues

Auditor's recommendation: We recommend the Department develop both a comprehensive travel report form and update its vehicle usage policy to include more specific information needed for determining whether travel is reasonable and appropriate. We also recommend the Department increase its review of and control over purchasing card usage to prevent personal purchases.

Management's Response: Travel Policies: NDOT manages a fleet of 1,200 passenger vehicles and over 10,000 pieces of heavy equipment, primarily assigned to field personnel statewide. NDOT acknowledges the need for enhanced procedures to document, monitor, and review in-state travel usage. To address this, NDOT is piloting Automatic Vehicle Location (AVL) technology for passenger vehicles to record travel start/stop times and locations. Additionally, the department has strengthened employee education on travel policies, incorporating training into annual development events and hosting a dedicated workshop for District Office personnel.

Excessive Overtime and Travel Hours: The field teammate identified in the audit was a Highway Mechanic District Supervisor overseeing the district's fleet and mechanics across 15 communities. Their duties included statewide travel for equipment deliveries, repairs, and pickups from NDOT's fleet headquarters.

Their travel and overtime were pre-approved and necessary. While some overtime was reduced, it couldn't be fully eliminated due to the role's demands in fleet maintenance and winter operations.

Overtime hours significantly decreased in FY24 compared to FY23 and FY22 by redistributing duties and eliminating certain tasks following the March 7, 2023, ACFR.

NDOT will enhance managerial oversight of overtime through a new Business Intelligence Dashboard, allowing district management to track usage while providing agency-wide access to executive leadership. The department is also evaluating pre-approval procedures for employees in roles or projects with high overtime demands.

As noted by the APA, this teammate is no longer with the department.

Purchase Card Transactions: NDOT will enhance oversight of purchasing card transactions to ensure cardholders comply with the department's purchasing card policies and guidelines.

Contact: Lyn Heaton, Mick Syslo, Lily Kathee

Anticipated Completion Date: Ongoing

Corrective Action Planned: NDOT is piloting Automatic Vehicle Location (AVL) technology for passenger vehicles to record travel start/stop times and locations. Additionally, the department has strengthened employee education on travel policies, incorporating training into annual development events and hosting a dedicated workshop for District Office personnel.

NDOT will enhance managerial oversight of overtime through a new Business Intelligence Dashboard, allowing district management to track usage while providing agency-wide access to executive leadership. The department is also evaluating pre-approval procedures for employees in roles or projects with high overtime demands.

As noted by the APA, this teammate is no longer with the department.

NDOT sent out new guidance and important reminders to all purchasing card holders to adhere to the Purchasing Card Manual.

**FY 2024 NEBRASKA STATEWIDE SINGLE AUDIT –
NEBRASKA DEPARTMENT OF TRANSPORTATION – ISSUED MARCH 25, 2025**

Received September 16, 2025 – Department of Transportation corrective action plan.

FY2024 Federal Single Audit Recommendations

1. Program AL 20. 20.509 – Formula Grants for Rural Areas – Allowability & Subrecipient Monitoring

Recommendation: We recommend the Agency improve procedures to ensure expenditures are allowable and in accordance with Federal regulations.

Management Response: NDOT acknowledges the audit findings related to subrecipient monitoring and cost allowability under the grant funding. We will continue to ensure compliance with regulations and are committed to improving our internal controls to prevent recurrence of similar findings.

Corrective Action Plan:

- NDOT will continue to enhance its financial review procedures to ensure that all subrecipients provide adequate supporting documentation for expenditures, including personnel charges and cost allocations.
- Training sessions will continue to be conducted for subrecipients to reinforce compliance requirements related to allowable costs, proper documentation, and cost allocation methods.
- Revised internal procedures will clarify expectations for travel costs, fuel charges, personnel reimbursements, and revenue reporting to prevent improper charges to the grant.
- Assigning audit staff to conduct periodic sampling throughout the year enhances our ability to ensure costs are properly supported, adapt to necessary changes, and effectively communicate updates to our subrecipients.

Contact: Jodi Gibson

Anticipated Completion Date: *On-going*

Corrective Action Update: *NDOT Transit Section has implemented several ongoing improvements to strengthen subrecipient monitoring and ensure cost allowability under the 20.509 Formula Grants for Rural Areas. These include holding quarterly calls with transit managers to provide technical assistance and reinforce compliance expectations, continuously updating internal manuals to reflect current federal guidance, and revising procedures when new issues are identified during reviews. Internal auditors are also assigned to conduct periodic reviews and sampling of subrecipient documentation. These actions enhance oversight, improve consistency, and support stronger internal controls across the program. NDOT Transit Section recently went through the FTA State Management Review and had zero findings.*

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

CALENDAR YEAR 2025 COUNTY COURTS – ISSUED IN CALENDAR YEAR 2025

Received October 16, 2025 – County Court corrective action plan.



Corey R. Steel
State Court Administrator

Gene Cotter
State Probation Administrator

October 16, 2025

Mike Foley
Nebraska Auditor of Public Accounts
State Capitol, Suite 2303
Lincoln, NE 68509-8917

Dear Auditor Foley:

Neb. Rev. Stat. §84-304(3)(b) requires entities to describe the corrective actions taken or to be taken in response to audits conducted by the Auditor of Public Accounts. This letter is intended to meet that requirement for the 24 county court audits conducted in CY2025.

Recommendation: Segregation of Duties

Action: This finding was, once again, stated in all 24 audits. The Judicial Branch does not have the financial and human resources to remove this finding for many courts, particularly smaller courts. The Judicial Branch has reduced risk through the Audit/Accounting Specialists who review records and provide assistance to courts on financial matters. Regarding the ability of one person to process all parts of a financial transaction, the Administrative Office of the Courts and Probation (AOCP) has determined that clerk magistrates must have this authority to complete all statutory responsibilities. Regarding the ability of staff to create and issue orders, the AOCP recognizes the risk, but the risk is reduced with judicial oversight. The court case management system (JUSTICE) can provide tracking information if an investigation is conducted. In addition, several courts have judicial orders on file permitting access to other courts and issuance of orders.

Recommendation: Monthly Reports

Action: Since the audits, courts are regularly reviewing the Monthly Case Balance Report and the Overdue Case Balance Report. County Courts staff were given education and instructions on the importance of review and how to documents for review.

Recommendation: Additional Issues

Action: Many issues regarding errors or payment/receipt actions and documentation were resolved either at the time of the audit or shortly thereafter. For example, Lancaster County Court completed bank reconciliation shortly after the audit and continues to reconcile. The AOCP will continue to monitor the reconciliation for Lancaster County Court.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey R. Steel".

Corey R. Steel
State Court Administrator

Administrative Office of the Courts & Probation
P. O. Box 98910, Lincoln, Nebraska 68509-8910
<https://nebraskajudicial.gov>
Phone (402) 471-3730
Fax (402) 471-2197

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

ATTESTATION REPORT OF THE NEBRASKA STATE ELECTRICAL DIVISION

JANUARY 1, 2024, THROUGH DECEMBER 31, 2024

Received October 20, 2025 – State Electrical Division corrective action plan.

Jim Pillon
Governor

STATE OF NEBRASKA

STATE ELECTRICAL BOARD
Craig Thelen
*Executive Director*STATE ELECTRICAL DIVISION
P.O. Box 95066
Lincoln, Nebraska 68509-5066
FAX (402) 471-4297
Phone (402) 471-3550
www.electrical.nebraska.gov

10/20/2025

Honorable Mike Foley
 Auditor of Public Accounts
 State Capitol, Suite 2303
 Lincoln, NE 68509-8917

Dear Mr. Foley:

Following our Audit, we have summarized the changes that we have implemented and have provided comments in red to identify the process change.

1. State Vehicle Usage and Monitoring: We noted several instances of Division employees having used State vehicles for apparently personal trips, which is prohibited by Neb. Rev. Stat. § 81-1024 (Reissue 2024). Trips included stops at Casey's gas station, CVS Pharmacy, Sam's Club, and Earl May Garden Center. Furthermore, the Division was not adequately monitoring fuel purchases made by Division employees, nor did the Division receive the required approval from the Transportation Services Bureau for vehicles assigned to employees on a 24-hour basis.

We have reminded all the Staff that the State vehicles are not to be used for personal use based on State Statute 81-1024 and have verbally counseled the employees that were identified in the report per the NAPE disciplinary requirements. We also have all employees with 24-hour vehicle access

approved with TSB manager Mike Moerer and have identified on our new employee hire form the requirements to get approved by TSB before assigning a vehicle for 24-hour access. We will continue to audit the GPS for all vehicles assigned to employees on a monthly basis for proper use of vehicle to include fuel receipts against travel logs and voyager cards, this process is working well and we feel we have a thorough process in place now that ensures that employees are following State Statute 81-1024.

2. Expenditure Issues: Our testing of expenditures paid by the Division revealed improper per diem meal reimbursements, totaling \$207; an improper parking reimbursement of \$48; \$88 of sales tax paid, which the Division is exempt from paying pursuant to Neb. Rev. Stat. § 77-2704.15(1)(a) (Cum. Supp. 2024); and several transactions, totaling \$47,343, which were not coded properly in the accounting system.

We have corrected the issue with tax on the carwashes, which has been a big issue, and we will closely monitor all ERD's for accuracy as it pertains to expense receipts, meals and per diems, as for the expenses that were coded wrong, we will also closely monitor this moving forward.

3. Lack of Segregation of Duties Over Payroll: The Division did not have an adequate segregation of duties over payroll, as one individual was able to process, review, and post payroll without a secondary review by an independent person without payroll access in the accounting system. Payroll expenditures totaled \$1,716,666 during the calendar year ended December 31, 2024.

We have established another level of approval for Payroll and have taken one employee off of the approval routing for Payroll, so now they can pre audit payroll before the Director approves Payroll and this is noted by initialing and dating on each of the timesheets to confirm the accuracy.

4. Lack of Segregation of Duties Over Revenues: The Division lacked an adequate segregation of duties over revenues. Individuals were able to open the mail, process applications, issue permits and licenses, prepare deposits, and void transactions without compensating controls and procedures to ensure all monies received were handled appropriately. Revenues collected by the Division during the calendar year ending December 31, 2024, totaled \$2,374,061.

We have always had someone witness the mail being opened, but did not have a formal process for showing this, so now we have added an extra line on the daily log that will require the individual opening the mail to initial that they opened the mail and entered it, and the initials of the witness as well on the daily log. As for the voided transactions we will make sure to document this on the daily logs and the new Tyler Tech database should give us options to show these in reports. Although the Tyler Tech program will not be online until after the first of the year, we have this noted on the daily log by initialing and dating by the staffer that is witnessing the mail being opened.

5. Lack of Segregation of Duties Over Capital Assets: The Division lacked an adequate segregation of duties over capital assets. Four Division employees were able to add assets to inventory records, surplus and dispose of assets, and perform the annual inventory. No documented secondary review of capital asset reports was performed by an independent person without capital asset access in the accounting system.

We have removed one of the individuals that is able to add assets to the inventory records, surplus and dispose of assets and perform the annual inventory and this individual will do the pre audits of the assets and will initial that they completed this before these assets can be added, surplused and disposed of to reconcile the annual inventory.

The other items that were mentioned in the audit that were not part of the formal report, we have identified the corrective actions and how the process is going as we move forward.

6. Payroll Issues

We noted the following during our testing of the Division's payroll:

- One employee carried over 1.5 hours of vacation leave above the allowed maximum. Per the Division, this excess was approved for carryover; however, documentation of this approval could not be provided.

The Director approves all carryover of vacation over the maximum and we will document this with an email in the future.

- One terminated employee's leave earnings on his final paycheck were not correct. The employee worked 40 of the normal 80 hours during the pay period and therefore should have earned 50% of the normal leave

accruals. He should have earned 1.85 hours of vacation and sick leave, but actually earned 2.00 hours.

We will be better about monitoring the hours of physical work vs. vacation or sick leave used before finalizing the final check to the terminated employee.

- We noted one employee whose adjusted service date appeared incorrect. Based on his prior service dates, we calculated his adjusted service date to be August 14, 2022. However, his actual adjusted service date in the system was November 5, 2022, a variance of 83 days.

This date of August 14,2022 showed up in a report so that is the date we used, but we will make sure to double check the service dates for employees that either return to the Division or come from another State Agency.

- According to the Division, changes to employee information in Workday is reviewed, but this review is not documented.

We reminded employees to notify the HR Manager of any changes they make in Workday so we can review for accuracy.

7. State Contracts Database

We noted the contract with O'Hara Lindsay and Associates was not entered into EnterpriseOne or the State Contracts Database, as required by Neb. Rev. Stat. § 73-806 and § 84-602.04.

This contract has been implemented in E1 and in the State Contracts Database.

8. Unsupported Fees

The Division charged the following fees that were not set in statute, and the Division was not able to provide any documentation for the approval of these fees, or how the rate charged was determined:

- Duplicate License fee
- Existing Fire Alarm or Low Voltage Panel fee
- New Fire Alarm or Low Voltage Panel fee
- Low Voltage Control Circuit, Zone, or Loop fee

These fees were voted on and approved at the September 12, 2025 Board Meeting. One of our long time Board members remembers the Board discussion back in the early 2000's but am unable to find any Board documentation of these fees. We will be monitoring fees periodically moving forward.

9. Expenditure Issues

We noted the following during our review of expenditure transactions:

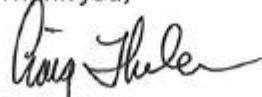
- The Division does not perform a documented review of the GL Detail Report, particularly reviewing for transactions posted to the Division's BU's by other agencies.

Melissa will monitor this moving forward.

- The Division did not perform documented procedures to ensure rebates earned on Division purchases (such as rebates earned at Menards) were kept and used by the Division rather than used by employees personally.

The only rebates we typically see are from Menards, and Melissa keeps these locked up in our safe, we will use these when we make trips to Menards, but will break this out to show how much the rebate was for so we can reconcile it against a purchase.

Thank you,



Craig Thelen

Executive Director

Nebraska State Electrical Division

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT EARLY MANAGEMENT LETTER –
ADDRESS BOOK TESTING – ISSUED JUNE 30, 2025**

Received November 29, 2025 – Department of Correctional Services corrective action plan.

NEBRASKA

Good Life. Great Mission.

DEPT OF CORRECTIONAL SERVICES



Jim Pillen, Governor

TO: Mike Foley, Auditor of Public Accounts
 FROM: Robin Spindler, Deputy Director *[Signature]*
 DATE: November 29, 2025
 RE: Corrective Action Response to Findings of the ACFR for FY2025

Listed below is the Corrective Action Response to the findings of the ACFR for FY2025.

3. Tuition Reimbursement Overpayments and Repayment Policies and Procedures

NDCS updated its policy to include language requiring repayment of tuition reimbursement payments upon termination if the employee left employment within one year of the course completion date. The policy change included if an employee fails to do so, the information will be maintained in the employee's personnel file. This review has been included in the off-boarding process with the notice being mailed to the applicable employee.

As previously indicated, NDCS Human Resources strives to be as accurate as possible and shall review policies and procedures with the applicable team members.

7. Reimbursements to Terminated Employee Address Book Numbers

As previously indicated, NDCS does not manage when another agency pays a current or former employee for active duty through the military.

Please feel free to contact us if you have any questions.

CC: Rob Jeffreys, Director
 Diane Sabatka-Rine, Assistant Director
 Melissa Languis, Controller

Rob Jeffreys, Director
 Department of Correctional Services

P.O. Box 94661 Lincoln, NE 68509-4661
 Phone 402-471-2654 Fax 402-479-5623
corrections.nebraska.gov

THE APA WILL FOLLOW-UP DURING NEXT AUDIT.

**FY 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT EARLY MANAGEMENT LETTER –
ADDRESS BOOK TESTING – ISSUED JUNE 30, 2025**

Received December 17, 2025 – Supreme Court corrective action plan.



Corey R. Steel
State Court Administrator

Gene Cotter
State Probation Administrator

December 17, 2025

Mike Foley
Nebraska Auditor of Public Accounts
State Capitol, Suite 2303
Lincoln, NE 68509-8917

Dear Auditor Foley:

Neb. Rev. Stat. §84-304(3)(b) requires entities to describe the corrective actions taken or to be taken in response to audits conducted by the Auditor of Public Accounts. This letter is intended to meet that requirement for the July 1, 2024, through June 30, 2025, Address Book Testing ACFR Early Management Letter (Letter) released June 30, 2025.

3. Tuition Reimbursement Overpayments and Repayment Policies and Procedures

A determination was made that the amount stated in the Letter (\$4,840) was uncollectible. As stated in our formal response, tuition reimbursement was suspended in 2024.

4. Bonus Overpayments and Repayment Policies and Procedures

The bonus overpayment amount of \$1,500 stated in the Letter was recovered. As stated in our formal response, the hiring bonus program ended in 2024.

7. Reimbursements to Terminated Employee Address Book Numbers

The specific payment stated in the report is ending as of 12/31/2025. Therefore, a vendor address book number is not needed. However, although not anticipated, if similar situations arise in the future, as stated in our formal response, a vendor address book number will be created.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey R. Steel".

Corey R. Steel
State Court Administrator

**FY 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT EARLY MANAGEMENT LETTER –
ADDRESS BOOK TESTING – ISSUED JUNE 30, 2025**

Received December 29, 2025 – Brand Committee corrective action plan.

NEBRASKA BRAND COMMITTEE

CORRECTIVE ACTION REPORT

**Address Book Testing ACFR
Early Management Letter
FY2025**

December 2025



411 Niobrara Avenue, Alliance, NE 69301 - Phone: (308) 763-2930

EXECUTIVE SUMMARY

NBC CORRECTIVE ACTIONS

1. Testing lease vehicle program usage with new RFL auditor position.
2. Will consider, when appropriate, expansion of program to additional inspectors once time allocations are modified.
3. Pasted signatures will continue to be used due to their acceptance in other government processes.
4. ERD date issues are an issue with timekeeping software and NBC is exploring fixes.
5. Brand inspection documents will not be changed as they are not intended to be evidence of mileage traveled by the inspector but rather are proof of ownership of cattle.
6. NBC will continue to explore options for verifying mileage especially in areas lacking clear addresses.
7. NBC educated staff on the importance of correct address entry on mileage documents.
8. NBC collected \$15.40 from the inspector due to mileage calculation error.

Issue Identified	Analyzed	Current Actions	Status
Vehicle Leasing	Potential savings for ~18 inspectors of ~\$25,000	Executing pilot program. Additional assessment based on staffing.	In Progress
Pasted Signatures	Used elsewhere in government.	None	Addressed
ERD dates	Errors made	Issues with software	In Progress
Brand documents	Possible use to validate mileage.	Documents prove ownership of cattle not mileage; will not be modified.	Addressed
Mileage verification	Issues with verifying mileage, but issue is complicated by area.	Exploring options for areas without addresses, etc.	In Progress
Correct Addresses	One address mistake made.	Staff directed to review addresses used.	In Progress
Reimbursement Error	One error found.	Overpayment collected from inspector.	Addressed

INTRODUCTION

This Corrective Action Report is in response to the letter from the Auditor of Public Accounts (hereinafter "APA") dated June 30, 2025, regarding the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025, and the recommendations relevant to the Nebraska Brand Committee (hereinafter "NBC") which, per Neb. Rev. Stat. § 84-304(3)(b), require this plan. The NBC Executive Director met on July 1, 2025, with APA Audit Manager Dakota Christensen and Auditor-in-Charge Derek Baumfalk regarding the recommendations contained in this letter and potential avenues to pursue to address and resolve the issues raised.

EARLY MANAGEMENT LETTER RECOMMENDATIONS

Vehicle Cost v. Mileage Reimbursement Issue

APA Comment

"We recommend that Brand Committee perform a vehicle cost analysis on an individual basis for each brand inspector to determine if purchasing or leasing a vehicle would result in significant cost savings for the agency. Such cost analysis should compare all scenarios, including the expense of purchasing, leasing, or paying mileage, to determine the option that would result in the lowest monthly cost to the Brand Committee."¹

NBC Research

TSB Meeting

The NBC Executive Director met with the Administrator of the Transportation Services Bureau (TSB), a division of the Department of Administrative Services (DAS), regarding TSB's lease program and how it might address the recommendation in the APA letter.

The pricing structure provided for some efficiencies as it simplified addressing costs for fuel and maintenance. That said, based on TSB's budgeting structure, lease program vehicles are requested by TSB for agencies during the biennium budget process, so there is no inventory per se to handle a multi-vehicle request after the budget has passed as those vehicles have already been claimed by participating agencies. It is potentially possible to cover a request of one or two vehicles depending on if a vehicle can be reassigned from the TSB Pool or if a previously leased vehicle is turned in by an agency that no longer needs it.

TSB Lease Program Estimates

Given the number of miles covered by NBC inspectors, high mileage pricing (for vehicles exceeding 2,000 miles per month) was furnished by TSB for: compact all-wheel-drive pickup; $\frac{1}{2}$ ton 4x4 pickup; and compact sedan. The numbers provided are an estimate and vary depending on the actual vehicle leased. Based on the environmental conditions and topography in which NBC inspectors operate, the compact sedan was determined to be unsuitable and was not considered in the analysis conducted. As a cost compromise, NBC analysis focused on the compact all-wheel-drive pickup.² Currently TSB uses the Ford Maverick to serve the need for a compact all-wheel-drive pickup. The numbers provided appear in the table below.

Compact AWD Pickup (Ford Maverick)	Lease Fee Mileage Fee Insurance (physical damage)	\$578 \$0.39 X	X	12 months Traveled miles	=	\$6,936 TBD \$810
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¹ Auditor of Public Accounts. *Address Book Testing ACFR Early Management Letter FY2025*, June 30, 2025, p. 20.

² Email, TSB Administrator to NBC Executive Director, July 8, 2025.

NBC Analysis

Test Case

NBC is currently moving from a team of staff conducting audits of registered feedlots (RFLs) to a single auditor handling these engagements in order to provide for consistent processes and issue resolution in addition to free up staff time to handle other duties. Given there are over 90 RFLs and the need to travel on a regular basis, this role was determined to be an excellent test case for leasing a vehicle. Currently, NBC does not lease any vehicles and owns four pickup trucks assigned to the investigators (special state deputy sheriffs). Assuming the auditor travels about 60,000, an estimate based on previous experience when NBC had a single auditor, the table below *estimates* the potential cost savings based on the current Internal Revenue Service mileage rate of \$0.70 per mile.

Compact AWD Pickup (Ford Maverick)					
Lease Fee	\$578	X	12 months	=	\$6,936
Mileage Fee	\$0.39	X	60,000 miles	=	\$23,400
Insurance (physical damage)					\$810
Total					\$31,146
 Mileage Reimbursement	\$0.70	X	60,000 miles	=	\$42,000
 Savings	\$42,000	-	\$31,146	=	\$10,854

As of September 2025, NBC is leasing a pickup from TSB for this test. The lease rate is \$520 per month and \$0.40 per mile.

Feasibility of Expansion

Even with the test case in progress, the NBC Executive Director and Business Manager conducted a study to determine how a lease program might perform compared to mileage reimbursement. A few assumptions were made to facilitate the analysis.

Average Miles: The mileage used in the projections were the miles traveled during FY2024-25.

Vehicle: The costs for the Form Maverick pickup, as provided by TSB, were used.

Employees: Only full-time inspectors, inspectors-in-charge, and supervisors were included in the analysis. Intermittent inspectors were excluded as they are part-time employees. Investigators were excluded as they drive agency owned pickups. Office staff assigned to Alliance were excluded as they travel infrequently, usually for quarterly NBC meetings, and the Executive Director was excluded as he uses vehicles from the TSB Pool in Lincoln when traveling. Also, employees without a full fiscal year of travel were excluded (two employees total).

The table below details the full-time and associated calculations. The names of the staff names have been removed.

	LEASE CAR COSTS									REIMBURSEMENT			SAVINGS or LOSS		
Miles	Lease Fee	Months	Lease	Mileage Fee	Miles	Lease Miles Cost	Insurance	Car Cost	Rate	Miles	Reim	Reim	Car Cost	Savings	
42,992.00	\$578	12	\$6,936	\$0.39	42,992.00	\$16,766.88	\$810	\$24,512.88	\$0.70	42,992.00	\$30,094.40	\$30,094.40	\$24,512.88	\$5,581.52	
34,112.50	\$578	12	\$6,936	\$0.39	34,112.50	\$13,303.88	\$810	\$21,049.88	\$0.70	34,112.50	\$23,878.75	\$23,878.75	\$21,049.88	\$2,828.88	
31,158.00	\$578	12	\$6,936	\$0.39	31,158.00	\$12,151.62	\$810	\$19,897.62	\$0.70	31,158.00	\$21,810.60	\$21,810.60	\$19,897.62	\$1,912.98	
30,729.50	\$578	12	\$6,936	\$0.39	30,729.50	\$11,984.51	\$810	\$19,730.51	\$0.70	30,729.50	\$21,510.65	\$21,510.65	\$19,730.51	\$1,780.15	
27,037.20	\$578	12	\$6,936	\$0.39	27,037.20	\$10,544.51	\$810	\$18,290.51	\$0.70	27,037.20	\$18,926.04	\$18,926.04	\$18,290.51	\$635.53	
25,810.00	\$578	12	\$6,936	\$0.39	25,810.00	\$10,065.90	\$810	\$17,811.90	\$0.70	25,810.00	\$18,067.00	\$18,067.00	\$17,811.90	\$255.10	
25,355.00	\$578	12	\$6,936	\$0.39	25,355.00	\$9,888.45	\$810	\$17,634.45	\$0.70	25,355.00	\$17,748.50	\$17,748.50	\$17,634.45	\$114.05	
24,042.00	\$578	12	\$6,936	\$0.39	24,042.00	\$9,376.38	\$810	\$17,122.38	\$0.70	24,042.00	\$16,829.40	\$16,829.40	\$17,122.38	-\$292.98	
23,250.70	\$578	12	\$6,936	\$0.39	23,250.70	\$9,067.77	\$810	\$16,813.77	\$0.70	23,250.70	\$16,275.49	\$16,275.49	\$16,813.77	-\$538.28	
21,524.00	\$578	12	\$6,936	\$0.39	21,524.00	\$8,394.36	\$810	\$16,140.36	\$0.70	21,524.00	\$15,066.80	\$15,066.80	\$16,140.36	-\$1,073.56	
20,950.50	\$578	12	\$6,936	\$0.39	20,950.50	\$8,170.70	\$810	\$15,916.70	\$0.70	20,950.50	\$14,665.35	\$14,665.35	\$15,916.70	-\$1,251.35	
20,879.00	\$578	12	\$6,936	\$0.39	20,879.00	\$8,142.81	\$810	\$15,888.81	\$0.70	20,879.00	\$14,615.30	\$14,615.30	\$15,888.81	-\$1,273.51	
20,614.00	\$578	12	\$6,936	\$0.39	20,614.00	\$8,039.46	\$810	\$15,785.46	\$0.70	20,614.00	\$14,429.80	\$14,429.80	\$15,785.46	-\$1,355.66	
19,611.00	\$578	12	\$6,936	\$0.39	19,611.00	\$7,648.29	\$810	\$15,394.29	\$0.70	19,611.00	\$13,727.70	\$13,727.70	\$15,394.29	-\$1,666.59	
17,868.50	\$578	12	\$6,936	\$0.39	17,868.50	\$6,968.72	\$810	\$14,714.72	\$0.70	17,868.50	\$12,507.95	\$12,507.95	\$14,714.72	-\$2,206.77	
17,769.00	\$578	12	\$6,936	\$0.39	17,769.00	\$6,929.91	\$810	\$14,675.91	\$0.70	17,769.00	\$12,438.30	\$12,438.30	\$14,675.91	-\$2,237.61	
17,755.00	\$578	12	\$6,936	\$0.39	17,755.00	\$6,924.45	\$810	\$14,670.45	\$0.70	17,755.00	\$12,428.50	\$12,428.50	\$14,670.45	-\$2,241.95	
17,709.10	\$578	12	\$6,936	\$0.39	17,709.10	\$6,906.55	\$810	\$14,652.55	\$0.70	17,709.10	\$12,396.37	\$12,396.37	\$14,652.55	-\$2,256.18	
16,710.00	\$578	12	\$6,936	\$0.39	16,710.00	\$6,516.90	\$810	\$14,262.90	\$0.70	16,710.00	\$11,697.00	\$11,697.00	\$14,262.90	-\$2,565.90	
15,877.00	\$578	12	\$6,936	\$0.39	15,877.00	\$6,192.03	\$810	\$13,938.03	\$0.70	15,877.00	\$11,113.90	\$11,113.90	\$13,938.03	-\$2,824.13	
15,735.00	\$578	12	\$6,936	\$0.39	15,735.00	\$6,136.65	\$810	\$13,882.65	\$0.70	15,735.00	\$11,014.50	\$11,014.50	\$13,882.65	-\$2,868.15	
15,730.00	\$578	12	\$6,936	\$0.39	15,730.00	\$6,134.70	\$810	\$13,880.70	\$0.70	15,730.00	\$11,011.00	\$11,011.00	\$13,880.70	-\$2,869.70	
15,390.00	\$578	12	\$6,936	\$0.39	15,390.00	\$6,002.10	\$810	\$13,748.10	\$0.70	15,390.00	\$10,773.00	\$10,773.00	\$13,748.10	-\$2,975.10	
14,748.00	\$578	12	\$6,936	\$0.39	14,748.00	\$5,751.72	\$810	\$13,497.72	\$0.70	14,748.00	\$10,323.60	\$10,323.60	\$13,497.72	-\$3,174.12	
14,428.00	\$578	12	\$6,936	\$0.39	14,428.00	\$5,626.92	\$810	\$13,372.92	\$0.70	14,428.00	\$10,099.60	\$10,099.60	\$13,372.92	-\$3,273.32	
13,725.50	\$578	12	\$6,936	\$0.39	13,725.50	\$5,352.95	\$810	\$13,098.95	\$0.70	13,725.50	\$9,607.85	\$9,607.85	\$13,098.95	-\$3,491.10	
13,322.40	\$578	12	\$6,936	\$0.39	13,322.40	\$5,195.74	\$810	\$12,941.74	\$0.70	13,322.40	\$9,325.68	\$9,325.68	\$12,941.74	-\$3,616.06	
13,093.00	\$578	12	\$6,936	\$0.39	13,093.00	\$5,106.27	\$810	\$12,852.27	\$0.70	13,093.00	\$9,165.10	\$9,165.10	\$12,852.27	-\$3,687.17	
12,878.00	\$578	12	\$6,936	\$0.39	12,878.00	\$5,022.42	\$810	\$12,768.42	\$0.70	12,878.00	\$9,014.60	\$9,014.60	\$12,768.42	-\$3,753.82	
11,279.00	\$578	12	\$6,936	\$0.39	11,279.00	\$4,398.81	\$810	\$12,144.81	\$0.70	11,279.00	\$7,895.30	\$7,895.30	\$12,144.81	-\$4,249.51	
10,491.20	\$578	12	\$6,936	\$0.39	10,491.20	\$4,091.57	\$810	\$11,837.57	\$0.70	10,491.20	\$7,343.84	\$7,343.84	\$11,837.57	-\$4,493.73	
10,451.00	\$578	12	\$6,936	\$0.39	10,451.00	\$4,075.89	\$810	\$11,821.89	\$0.70	10,451.00	\$7,315.70	\$7,315.70	\$11,821.89	-\$4,506.19	
10,162.00	\$578	12	\$6,936	\$0.39	10,162.00	\$3,963.18	\$810	\$11,709.18	\$0.70	10,162.00	\$7,113.40	\$7,113.40	\$11,709.18	-\$4,595.78	
9,322.00	\$578	12	\$6,936	\$0.39	9,322.00	\$3,635.58	\$810	\$11,381.58	\$0.70	9,322.00	\$6,525.40	\$6,525.40	\$11,381.58	-\$4,856.18	
7,746.80	\$578	12	\$6,936	\$0.39	7,746.80	\$3,021.25	\$810	\$10,767.25	\$0.70	7,746.80	\$5,422.76	\$5,422.76	\$10,767.25	-\$5,344.49	
7,685.50	\$578	12	\$6,936	\$0.39	7,685.50	\$2,997.35	\$810	\$10,743.35	\$0.70	7,685.50	\$5,379.85	\$5,379.85	\$10,743.35	-\$5,363.50	
6,711.00	\$578	12	\$6,936	\$0.39	6,711.00	\$2,617.29	\$810	\$10,363.29	\$0.70	6,711.00	\$4,697.70	\$4,697.70	\$10,363.29	-\$5,665.59	
6,476.00	\$578	12	\$6,936	\$0.39	6,476.00	\$2,525.64	\$810	\$10,271.64	\$0.70	6,476.00	\$4,533.20	\$4,533.20	\$10,271.64	-\$5,738.44	
6,146.00	\$578	12	\$6,936	\$0.39	6,146.00	\$2,396.94	\$810	\$10,142.94	\$0.70	6,146.00	\$4,302.20	\$4,302.20	\$10,142.94	-\$5,840.74	
6,055.60	\$578	12	\$6,936	\$0.39	6,055.60	\$2,361.68	\$810	\$10,107.68	\$0.70	6,055.60	\$4,238.92	\$4,238.92	\$10,107.68	-\$5,868.76	
3,730.00	\$578	12	\$6,936	\$0.39	3,730.00	\$1,454.70	\$810	\$9,200.70	\$0.70	3,730.00	\$2,611.00	\$2,611.00	\$9,200.70	-\$6,589.70	
2,003.00	\$578	12	\$6,936	\$0.39	2,003.00	\$781.17	\$810	\$8,527.17	\$0.70	2,003.00	\$1,402.10	\$1,402.10	\$8,527.17	-\$7,125.07	
474.00	\$578	12	\$6,936	\$0.39	474.00	\$184.86	\$810	\$7,930.86	\$0.70	474.00	\$331.80	\$331.80	\$7,930.86	-\$7,599.06	

Based on these projections, implementing the use of lease vehicles is not financially advantageous for most NBC inspectors. At most, using a leased vehicle would save money with seven inspectors and result in a total savings of \$13,108.21 per year. The breakeven for a high mileage lease is about 24,988 miles a year. This level of usage compared to mileage reimbursement saves \$0.28.

	Lease Car Costs					Reimbursement		Savings Or Loss		
	Miles	Lease	Lease Miles Cost	Insurance	Car Cost	Reim	Reim	Car Cost	Savings	
Breakeven	24,988	\$6,936	\$9,745.32	\$810	\$17,491.32	\$17,491.60	\$17,491.60	\$17,491.32	\$0.28	

For those under 24,000 miles per year (2,000 miles per month), the lease fee would be \$347 for the truck. In this case, 11 additional inspectors using a leased vehicle would result in a cost savings of \$11,824.65. Several of these inspectors are close to the 2,000 miles per month threshold and may, in fact, exceed it during some months. For those in the non-high mileage group, if NBC were to use lease program vehicles for them, it may be necessary to establish a percentage threshold, such as 15% or 20%, and remove those within that percentage of the high mileage level to make sure a non-high mileage user does not cross the limit and cause a cost issue.

NON-HIGH MILEAGE LEASE RATE CALCULATIONS					Reimbursement		Savings or Loss		
Miles	Lease	Lease Miles Cost	Insurance	Car Cost	Reim	Reim	Car Cost	Savings	
23,250.70	\$4,164	\$9,067.77	\$810	\$14,041.77	\$16,275.49	\$16,275.49	\$14,041.77	\$2,233.72	
21,524.00	\$4,164	\$8,394.36	\$810	\$13,368.36	\$15,068.80	\$15,068.80	\$13,368.36	\$1,698.44	
20,950.50	\$4,164	\$8,170.70	\$810	\$13,144.70	\$14,865.35	\$14,865.35	\$13,144.70	\$1,520.66	
20,879.00	\$4,164	\$8,142.81	\$810	\$13,116.81	\$14,615.30	\$14,615.30	\$13,116.81	\$1,498.49	
20,614.00	\$4,164	\$8,039.46	\$810	\$13,013.46	\$14,429.80	\$14,429.80	\$13,013.46	\$1,416.34	
19,611.00	\$4,164	\$7,648.29	\$810	\$12,622.29	\$13,727.70	\$13,727.70	\$12,622.29	\$1,105.41	
17,888.50	\$4,164	\$6,968.72	\$810	\$11,942.72	\$12,507.95	\$12,507.95	\$11,942.72	\$565.23	
17,769.00	\$4,164	\$6,929.91	\$810	\$11,903.91	\$12,438.30	\$12,438.30	\$11,903.91	\$534.39	
17,755.00	\$4,164	\$6,924.45	\$810	\$11,898.45	\$12,428.50	\$12,428.50	\$11,898.45	\$530.05	
17,709.10	\$4,164	\$6,906.55	\$810	\$11,880.55	\$12,398.37	\$12,398.37	\$11,880.55	\$515.82	
16,710.00	\$4,164	\$6,516.90	\$810	\$11,490.90	\$11,697.00	\$11,697.00	\$11,490.90	\$206.10	

If NBC used leased vehicles and created a hybrid program of non-high mileage and high mileage lease vehicles, the overall savings would be about \$25,000 per year. That said, the above mentioned RFL auditor position will impact the mileage traveled by supervisors and inspectors-in-charge that conducted the audits previously. At this time it is uncertain whether the impact will result in an increase or decrease in mileage as that depends on the duties assigned to those teammates to fill the bandwidth previously used for the audits. NBC will revisit the breakeven calculations once the RFL audit program is more firmly established and the impacts of its implementation are clear.

Additional Complexities

Implementing the use of leased vehicles has some additional complexities. There is a \$1,000 deductible for any damages, which is an increased cost for the agency. Also, Inspectors often visit business locations such as sale barns, gas stations, banks, and stop for meals and supplies at various vendors where available. Using a leased vehicle, which is marked with the State of Nebraska logo, will lead to reports of personal use of state vehicles that will have to be investigated and resolved. Assignment of vehicles, based on miles traveled, will cause contention between staff based on who does and does not get a State vehicle, especially if one is reassigned to another inspector from an inspector experiencing less travel. This situation also illustrates the challenge of deciding on a year-to-year basis who would receive a vehicle and who would not based on the assumption that the prior year's workload will be the same in the upcoming year, something that is decidedly unlikely as mileage can vary greatly due to staffing levels, cattle numbers, inspection demand, and other operational factors. While not insurmountable, the above are complications to be considered in deploying a leased vehicle program in the operational environment of NBC.

NBC Corrective Actions

- Testing lease vehicle program usage with new RFL auditor position.
- Will consider, when appropriate, expansion of program to additional inspectors once time allocations are modified.

Mileage Reimbursement Issues**APA Comment**

"We recommend the Brand Committee implement procedures to ensure that accurate and adequate documentation is maintained for all mileage reimbursement requests, including specific addresses, times of day, and correct mileage calculations. We further recommend such procedures require employees to sign and date expense reimbursement requests each time they are submitted." The following responds to each subpoint separately.

NBC Research and Analysis**Point 1: Signatures and Dates***Signatures*

NBC contends that the use of signatures captured in the mobile application used by inspectors and pasted on the expense forms is appropriate given the automated nature of the form, the agency's operations, and the use of such signatures by others across many industries as it is a feature of programs such as Adobe Pro.

Review of Expense Reimbursement Document (ERD) procedures published by the Department of Administrative Services (DAS) note that the ERD "should be signed by an authorized person" and that a mileage submission "needs to be signed by the appropriate person."³ That said, the guidelines are silent as to the manner of making the signature. N.R.S. §32-118(1) states that a signature is a "name or symbol of a person written with his or her own hand." In addition, the Nebraska Uniform Power of Attorney Act defines "sign" as "present intent to authenticate or adopt a record" and "attach to or logically associate with the record an electronic sound, symbol, or process."⁴ Further, the Nebraska Department of Revenue "will accept as a taxpayer signature, any mark, handwritten or digitally rendered that is, applied with actual or apparent intention to authenticate the filing as being approved and made by the signer."⁵

NBC contends the use of pasted signature affixed by the inspector belonging to the signature is compliant and operationally efficient.

Dates

On July 14, 2025, in the NBC newsletter, staff were reminded to pay attention to the date on their mileage reimbursements. The directive stated:

"Mileage Reimbursement Requests – When signing and dating your mileage reimbursement requests, make sure you are entering the actual date you are signing the form --- make sure you are not using the same date repeatedly. Supervisors will be checking this when forms are reviewed."

Email to all staff dated 8-5-2025 at 2:16 pm, noting:

ERD signature date. When signing and dating your mileage reimbursement requests, make sure you are entering the actual date you are signing the form.

³ Expense Reimbursement Document "ERD" Guidelines, <https://das.nebraska.gov/accounting/erd.html>

⁴ Neb. Rev. Stat. §30-4002(13) and (13)(b).

⁵ Nebraska Department of Revenue, Revenue [Ruling 99-20-1](#)

Trip addresses. When using an address to validate and prove mileage, make sure to review the address entered for accuracy. If an incorrect address is entered, it can cause issues when audits seek to validate mileage submissions.

Supervisors will be reviewing compliance with the above, especially the signature date issue.

After these communications were made, additional research by staff found that the reason dates had never been changed on the ERD forms is that it is a bug in the timekeeping system used by NBC and that staff members cannot change the date due to this lack of functionality. And while the developer of the timekeeping software created a fix for this issue, it was not deployed as an upgrade to the system. NBC is in the process of gaining possession of the timekeeper system coding and is exploring options for enhancement of the system with a new vendor or complete replacement of the system through new development or use of a state system.

Point 2: Inspection Documents as Proof of Mileage

Purpose of Brand Documents

In the Address Book Testing ACFR Early Management Letter FY2025 dated June 30, 2025, the APA stated that:

The inspection reports used by the Brand Committee do not include specific details of the inspection, such as time of day or specific location. They include only the date, producer's name and address (which may be out of state), and the name of the inspection point or corral where the inspection was conducted. The APA attempted to use these reports to verify inspections and mileage reported on the mileage reimbursement requests; however, this could not be completed due to the limited information included on the reports.⁶

Inspection documents are not records of travel but rather of cattle ownership and do not need to include "time of day or specific location" as these are not elements of the inspection. The brand paper proves the inspection occurred and is the ownership record for the cattle inspected.

Limitations of Documentation Based on Operational Environment

NBC's system records a GPS location when an inspection is started and when it is submitted. This can cause an issue as in some areas, due to internet/cellular access, as the GPS location recorded might not be the precise locus of the inspection but rather where it caught a signal. Also, sometimes our inspectors do some set-up work for inspections before getting to the inspection. This pre-work will record a location, but could be done at home, at the site of a previous inspection, along a dirt road, at a gas station, etc., so this can complicate GPS locations recorded. Likewise, submission of the inspection can take place at other locations and often depends on finding an internet signal and the strength of the available signal. Additionally, listing a specific address or location is often impossible due to the following challenges:

- The site of inspection may be in a pasture or other area.
- The site of inspection may be several miles away from a mile marker, highway, or even intersection.
- Ranch address may not be the site of inspection.
- One inspection can occur at multiple locations on the ranch.
- Cellular-based GPS signals are not always available.

The purchase of individual GPS units reading a satellite-based signal was discussed with APA staff. These units may present operational inefficiencies in needing to convert coordinates to miles and also present increased cost as the average unit retails for about \$150.00.

⁶ Auditor of Public Accounts. *Address Book Testing ACFR Early Management Letter FY2025*, June 30, 2025, p. 20.

Point 3: Incorrect Address

APA staff noted that, "For one trip taken by the inspector tested, the mileage accumulated was correct; however, the address listed on the reimbursement form was incorrect. The Brand Committee was unable to determine why the address was recorded incorrectly, as the inspector had no association with the address listed." NBC has educated staff on the importance of reviewing the accuracy of expense reports, especially addresses used for mileage documentation.

Point 4: Mileage Error

NBC acknowledged an error occurred and recovered \$15.40 from the inspector in processing his/her next mileage reimbursement.

NBC Corrective Actions

1. Pasted signatures will continue to be used due to their acceptance in other government processes.
2. ERD date issues are an issue with timekeeping software and NBC is exploring fixes..
3. Brand inspection documents will not be changed as they are not intended to be evidence of mileage traveled by the inspector but rather are proof of ownership of cattle.
4. NBC will continue to explore options for verifying mileage especially in areas lacking clear addresses.
5. NBC educated staff on the importance of correct address entry on mileage documents.
6. NBC collected \$15.40 from the inspector due to mileage calculation error.