



*Annual Report
to the
Legislature*

September 2008

Legislative Performance Audit Committee

Senator DiAnna Schimek, *Chair*
Senator Vickie McDonald, *Vice Chair*
Speaker Mike Flood
Senator Pat Engel
Senator Lavon Heidemann
Senator Don Preister
Senator Arnie Stuthman

Audit Section Peer Review

By law, the Legislative Performance Audit Section must conduct its performance audits in compliance with the Government Auditing Standards published by the Comptroller General of the United States (often referred to as the “Yellow Book”). Those standards require the Section to undergo a peer review every three years.

In June 2008, the National Conference of State Legislatures (NCSL) sent a team of auditors from other states to review the Section’s work, including reviewing policies, work papers, and reports. According to its final report, the team found that “. . . the Section’s quality assurance system was designed and employed effectively during the period reviewed” and that the Section was in compliance with the Government Auditing Standards.

“The Section produces quality work products that provide research, objective analyses, and useful information to members and legislative staff of the Nebraska Legislature.”

-Peer Review Report

“The Section meets or exceeds the standards for program evaluation that guide its work. One goal of legislative program evaluation is to provide a legislature useful, objective, and timely information about the extent to which desired program results are being achieved . . . The Section achieves this critical goal.”

-Peer Review Report

Updates on Previous Audits

The Lincoln Regional Center’s Sex Offender Services Program Performance Audit
August 2006

The program has since implemented the Committee’s recommendations, including having written discharge policies and by requiring clinical staff, beyond the program psychiatrist, to formally weigh-in on each discharge decision. In 2007, the Legislature also adopted LB 610, which requires the program to have written discharge procedures.

The Public Employees Retirement Board and the Nebraska Public Employees Retirement Systems
August 2006

PERB and NPERS have addressed all audit findings and are currently redeveloping what was the PIONEER computer system, now called NPRIS.



FY2007-08 Performance Audits



The Nebraska Information Technology Commission: An Examination of Statutory Compliance and the Project Review Process

In the audit, the Section found that NITC complies with the relevant portions of the Information Technology Infrastructure Act. However, the audit also identified some larger policy issues that the Performance Audit Committee felt needed to be addressed through legislation. LB 823 (2008) addressed those issues.

In response to the audit finding that NITC's review of projects is restricted to those requiring general fund appropriations and those voluntarily submitted to the commission for review, LB 823 required government entities to submit projects to NITC review regardless of funding source (this includes general, federal, and/or cash funds) and allows NITC to require progress reports on these projects.

LB 823 also compels state agencies to provide an information technology plan, in a format determined by NITC, to the chief information officer regarding technology assets and planned acquisitions and projects. NITC's annual statewide technology plan would include an analysis of the reported data.

“ . . . I would like to thank the Legislative Performance Audit Section staff for their courtesy and professionalism throughout this audit.” –

**Lt. Gov. Rick Sheehy,
NITC chairperson**

Board of Educational Lands and Funds (BELF)

In March 2007, the Legislative Performance Audit Committee began an audit of BELF. In September 2007, the Committee voted to discontinue the audit as it believed that the most important questions relating to BELF—those having to do with the extent to which the Legislature can direct BELF's actions, such as land sales—are questions of law and therefore not appropriate for the performance audit process.

Audits Underway as of August 2008

State Foster Care Review Board

Personal Services Contracts: An Examination of Compliance and Oversight



FY2007-08 Preaudit Inquiries

A preaudit inquiry is an investigatory process during which the Section gathers and examines evidence to determine if a performance audit topic has merit.

CPS Caseloads Report Preaudit Inquiry

At issue was a December 2006 deadline contained in LB 264 (2005) that the Health and Human Services System provide annual reports on Child Protective Services caseloads to the Legislature. Ultimately, the report was issued on April 30, 2007, and the Committee voted not to pursue the topic with a full audit.

Educational Service Units Preaudit Inquiry

The Committee had received concerns about some Educational Service Units' activities. However, staff concluded that the Committee does not have statutory authority to audit Educational Service Units, and the Committee discontinued the preaudit.

Reproductive Health Preaudit Report

The Committee asked audit staff to investigate an allegation that the program was not spending all of the reproductive health funds appropriated to it. The Section confirmed that there was one fiscal year in which the program did not spend all of the reproductive health funds. The Committee asked the staff to follow-up in the future to determine whether subsequent changes made by DHHS ensure that all reproductive health funds are spent.

Availability of Child Care Provider Reviews Preaudit Report

The Committee asked the Section to look into whether the Department of Health and Human Services makes its reviews of child care providers available online. We found that, although there is no statutory requirement that DHHS do so, it plans to make the reports available online by late September 2008.

Audit reports and other related materials are available on the Unicameral's Web site (www.nebraskalegislature.gov) or can be obtained from:

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