



KATE WITEK, AUDITOR OF PUBLIC ACCOUNTS
STATE CAPITOL, SUITE 2303
LINCOLN, NEBRASKA 68509
(402) 471-2111

**Audit Report of the
Nebraska Department of Roads
July 1, 2001 through June 30, 2002**

Report Highlights

Issued January 2003

**Comments and
Recommendations**

- A reconciliation of accounting systems was not performed for the fiscal year
- Unreasonable travel expenses were paid
- Payments were made in excess of contracted amounts
- There were inadequate controls over fixed assets and inventory
- There was inadequate documentation for property damage costs
- Vehicle and equipment usage log procedures should be improved
- There were inadequate controls over Highway Safety receipts

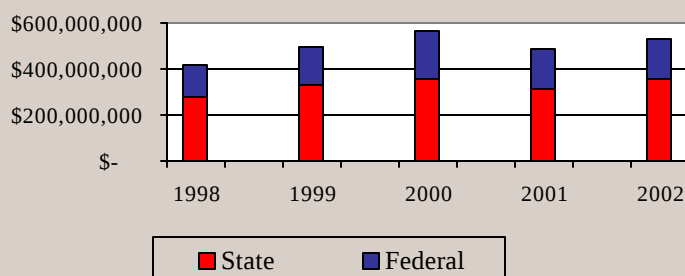
The Department of Roads is responsible for the construction and maintenance of Nebraska's roads and highways. The Department is also involved in the planning of transportation in the State and in assisting rural and urban public transportation systems. Highway maintenance and construction operations are administered from eight district offices located in Omaha, Lincoln, Norfolk, North Platte, Grand Island, Bridgeport, McCook, and Ainsworth.

Our letter included seven Comments and Recommendations relating to internal controls and procedures. Our recommendations were as follows:

- ☐ We recommend the Department perform an annual reconciliation of the Department's system to the Nebraska Accounting System for the fiscal year and review any significant and unusual items.
- ☐ We recommend the Department implement procedures to ensure disbursements are reasonable, necessary, and in accordance with State guidelines.
- ☐ We recommend the Department maintain documentation showing approval when contracted amounts are exceeded.
- ☐ We recommend the Department ensure an adequate segregation of duties exists over computer hardware/CADD and radio equipment fixed asset records, and maintain complete and accurate records for computer/CADD equipment.
- ☐ We recommend the Department maintain adequate documentation over property damage to ensure costs charged are accurate and billed in a timely manner. We also recommend the Department implement procedures to ensure billing rates are uniformly calculated.
- ☐ We recommend the Department implement procedures to ensure vehicle usage is properly recorded on timesheets and crew cards. We further recommend the Department implement procedures to review and investigate variances.
- ☐ We recommend the Department have separate individuals involved in the processing of Highway Safety receipts to ensure an adequate segregation of duties.

We have detailed our findings and the Department's responses in the Comments and Recommendations section of the report, which can be found at www.auditors.state.ne.us.

Disbursements by Funding Source



Average Annual Maintenance Cost per Lane Mile

