

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 100

Introduced By: Erdman, 47; Friend, 10;

Read first time: January 5, 2007

Committee: Government, Military and Veterans Affairs

A BILL

1 FOR AN ACT relating to the Auditor of Public Accounts; to amend
2 section 84-304, Revised Statutes Cumulative Supplement,
3 2006; to provide duties; and to repeal the original section.
4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 84-304, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

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

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

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

11 (3) To examine or cause to be examined, at such time as he
12 or she shall determine, books, accounts, vouchers, records, and
13 expenditures of all state officers, state bureaus, state boards, state
14 commissioners, the state library, societies and associations supported
15 by the state, state institutions, state colleges, and the University
16 of Nebraska, except when required to be performed by other officers or
17 persons. Such examinations shall be done in accordance with generally
18 accepted government auditing standards for financial audits and
19 attestation engagements set forth in Government Auditing Standards
20 (2003 Revision), published by the Comptroller General of the United
21 States, General Accounting Office, and except as provided in
22 subdivision (12) of this section, subdivision (16) of section 50-1205,
23 and section 84-322, shall not include performance audits, whether
24 conducted pursuant to attestation engagements or performance audit
25 standards as set forth in Government Auditing Standards (2003
26 Revision), published by the Comptroller General of the United States,
27 General Accounting Office;

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

21 (b) The Auditor of Public Accounts may waive the audit
22 requirement of subdivision (4)(a) of this section upon the submission
23 by the political subdivision of a written request in a form prescribed
24 by the auditor. The auditor shall notify the political subdivision in
25 writing of the approval or denial of the request for a waiver;

26 (5) To report promptly to the Governor and the appropriate
27 standing committee of the Legislature the fiscal condition shown by

1 such examinations conducted by the auditor, including any
2 irregularities or misconduct of officers or employees, any
3 misappropriation or misuse of public funds or property, and any
4 improper system or method of bookkeeping or condition of accounts. In
5 addition, if, ~~in the normal course of conducting an audit in~~
6 ~~accordance with subdivision (3) of this section,~~ at any time, the
7 auditor discovers any potential problems related to the
8 effectiveness, efficiency, or performance of state programs, he or she
9 shall analyze the matter and immediately report ~~them~~ the findings
10 in writing to the Legislative Performance Audit Committee which may
11 investigate the issue further, report it to the appropriate standing
12 committee of the Legislature, or both. In the course of conducting
13 such analysis, section 84-305 shall apply

14 (6)(a) To examine or cause to be examined the books,
15 accounts, vouchers, records, and expenditures of a fire protection
16 district. The expense of the examination shall be paid by the
17 political subdivision.

18 (b) Whenever the expenditures of a fire protection district
19 are one hundred fifty thousand dollars or less per fiscal year, the
20 fire protection district shall be audited no more than once every five
21 years except as directed by the board of directors of the fire
22 protection district or unless the auditor receives a verifiable report
23 from a third party indicating any irregularities or misconduct of
24 officers or employees of the fire protection district, any
25 misappropriation or misuse of public funds or property, or any
26 improper system or method of bookkeeping or condition of accounts of
27 the fire protection district. In the absence of such a report, the

1 auditor may waive the five-year audit requirement upon the submission
2 of a written request by the fire protection district in a form
3 prescribed by the auditor. The auditor shall notify the fire
4 protection district in writing of the approval or denial of a request
5 for waiver of the five-year audit requirement. Upon approval of the
6 request for waiver of the five-year audit requirement, a new five-year
7 audit period shall begin.

8 (c) Whenever the expenditures of a fire protection district
9 exceed one hundred fifty thousand dollars in a fiscal year, the
10 auditor may waive the audit requirement upon the submission of a
11 written request by the fire protection district in a form prescribed
12 by the auditor. The auditor shall notify the fire protection district
13 in writing of the approval or denial of a request for waiver. Upon
14 approval of the request for waiver, a new five-year audit period shall
15 begin for the fire protection district if its expenditures are one
16 hundred fifty thousand dollars or less per fiscal year in subsequent
17 years;

18 (7) To appoint two assistant deputies (a) whose entire time
19 shall be devoted to the service of the state as directed by the
20 auditor, (b) who shall be certified public accountants with at least
21 five years' experience, (c) who shall be selected without regard to
22 party affiliation or to place of residence at the time of appointment,
23 (d) who shall promptly report in duplicate to the auditor the fiscal
24 condition shown by each examination, including any irregularities or
25 misconduct of officers or employees, any misappropriation or misuse of
26 public funds or property, and any improper system or method of
27 bookkeeping or condition of accounts, and it shall be the duty of the

1 auditor to file promptly with the Governor a duplicate of such report,
2 and (e) who shall qualify by taking an oath which shall be filed in
3 the office of the Secretary of State;

4 (8) To conduct audits and related activities for state
5 agencies, political subdivisions of this state, or grantees of federal
6 funds disbursed by a receiving agency on a contractual or other basis
7 for reimbursement to assure proper accounting by all such agencies,
8 political subdivisions, and grantees for funds appropriated by the
9 Legislature and federal funds disbursed by any receiving agency. The
10 auditor may contract with any political subdivision to perform the
11 audit of such political subdivision required by or provided for in
12 section 23-1608 or 79-1229 or this section and charge the political
13 subdivision for conducting the audit. The fees charged by the auditor
14 for conducting audits on a contractual basis shall be in an amount
15 sufficient to pay the cost of the audit. The fees remitted to the
16 auditor for such audits and services shall be deposited in the Auditor
17 of Public Accounts Cash Fund;

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

22 (10) To develop a plan for implementing on-line filing of
23 budgeted and actual financial information by political subdivisions.
24 Such plan shall describe the technology and staff resources necessary
25 to implement on-line filing of such information and the costs of these
26 resources. Such plan shall be presented to the Clerk of the
27 Legislature on or before January 15, 2003;

1 (11) To develop and maintain an annual budget and actual
2 financial information reporting system that is accessible on-line by
3 the public; and

4 (12) When authorized, to conduct joint audits with the
5 Legislative Performance Audit Committee as described in section
6 50-1205.

7 Sec. 2. Original section 84-304, Revised Statutes Cumulative
8 Supplement, 2006, is repealed.