

LEGISLATIVE BILL 432

Approved by the Governor April 28, 1999

Introduced by Janssen, 15

AN ACT relating to the Department of Administrative Services; to amend section 81-1111, Revised Statutes Supplement, 1998; to provide powers to the Director of Administrative Services and the accounting bureau; to authorize departments and agencies to perform their own preaudits; to change provisions relating to preaudits; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. The Director of Administrative Services may authorize departments and agencies to perform their own preaudits, subject to monitoring by the accounting bureau. The preaudits shall be performed in accordance with the provisions of subdivisions (3)(a) through (f) of section 81-1111.

Sec. 2. Section 81-1111, Revised Statutes Supplement, 1998, is amended to read:

81-1111. (1) Subject to the supervision of the Director of Administrative Services, the Accounting Administrator shall have the authority to prescribe the system of accounts and accounting to be maintained by the state and its departments and agencies, develop necessary accounting policies and procedures, coordinate and approve all proposed financial systems, and manage all accounting matters of the state's central system. There shall be created three separate bureaus to be supervised by the Accounting Administrator: The accounting bureau, the management systems and studies bureau, and the social security administration bureau.

(2) The accounting bureau shall monitor all departments and agencies authorized by the Director of Administrative Services to perform their own preaudits.

(3) For all departments and agencies not authorized by the director to perform their own preaudit, the accounting bureau:

(a) Shall be responsible for the preaudit and control of all vouchers and payrolls equal to or exceeding ~~two hundred fifty one thousand five hundred~~ dollars in order to assure the legality of all transactions, to insure that all vouchers for payment are within the approved budget, and to insure that adequate cash is available for payment;

(b) Shall preaudit all audit-sensitive areas, including, but not limited to:

(i) Employee-related expenses such as expense vouchers, direct-bill lodging and airfare, moving expenses, tuition assistance, and employee recognition programs;

(ii) Expenses pertaining to conferences, including items such as food, lodging, and honorariums; and

(iii) Encumbrance liquidations between bienniums;

(c) May, with the approval of the Accounting Administrator, preaudit and control vouchers and payrolls less than ~~two hundred fifty one thousand five hundred~~ dollars and may require additional documentation as necessary in order to reasonably assure the legality of all such transactions, to insure that all such vouchers for payment are within the approved budget, and to insure that adequate cash is available for payment;

(d) Shall require supporting documentation of transactions that are preaudited to be provided with the voucher to the accounting bureau by the department, agency, division, or office whose transaction is being preaudited. Such supporting documentation shall include, but not be limited to, the original invoice, payment request, or other documentation as established by the Accounting Administrator;

(e) May, with the approval of the Accounting Administrator, provide for alternative preaudit and documentation requirements for refunds and state aid payments;

(f) Shall call to the attention of the director all vouchers or payments which seem to be in violation of the laws of the state and to the attention of the director and the budget administrator all vouchers for payments which are inconsistent with the approved budget; and

(g) Shall undertake the writing of all warrants for the department and shall implement in all departments and agencies of state government an effective double entry system of financial and budgetary control accounting for all revenue and expenditures of all departments and agencies of the state, which system shall develop costs by programs, subprograms, activities, or

objects of expenditures and shall allow for comparison between budgeted and actual expenditure.

~~(3)~~ (4) The management systems and studies bureau shall be responsible for systematically reviewing on a regular basis activities of state agencies and departments to determine that adequate internal controls exist within all departments and agencies and to assure that proper accounting methods are employed. The bureau shall receive copies of all audits performed by or for the Auditor of Public Accounts of the financial status and conditions in all state departments and agencies. The bureau shall be available to consult with all governmental departments and agencies in training their staff and developing efficient work flow within such departments and agencies and shall provide such departments and agencies with appropriate accounting reports, summaries, and analyses prepared by the accounting division as are necessary to effectively administer these departments and agencies. The bureau shall establish a system for receiving and disbursing funds associated with any financing agreement.

~~(4)~~ (5) The social security administration bureau shall be responsible for the administration of social security responsibilities of the state. Its duties, powers, and responsibilities and its staff, equipment, and records shall be subject to the supervision of the Accounting Administrator. The Accounting Administrator shall also be the state social security administrator.

Sec. 3. Original section 81-1111, Revised Statutes Supplement, 1998, is repealed.