

Legislative Performance Audit Committee

15 years of service • 1992 - 2007

Annual Report to the Legislature

September 2007

Committee Members

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



*Prepared by the
Performance Audit Section
Legislative Audit and Research Office*

FY2006-07 Performance Audits

As required by the Legislative Performance Audit Act, this report summarizes the recommendations of the Legislative Performance Audit Committee in FY2006-07 and the status of implementation of those recommendations. Copies of these and other reports are available on the Legislature's Web site.

The Public Employees Retirement Board and the Nebraska Public Employees Retirement Systems: An Examination of Compliance, PIONEER, and Management (August 2006)

The Committee identified a number of problems with management of the Nebraska Public Employees Retirement Systems (NPERS), especially in relation to severe inadequacies with the PIONEER computer system.



The new Executive Director has made substantial progress towards complying with the Committee's recommendations.

Shortly after the audit report was released, the Board's Executive Director resigned. The Board subsequently hired a new Executive Director and has made substantial progress towards complying with the Committee's specific recommendations.

The Lincoln Regional Center's Sex Offender Services Program (August 2006)

The Committee found that the program's transfer and discharge procedures for sex offenders committed to treatment by mental health boards lacked adequate safeguards, which may have jeopardized public safety.



In fact, the Committee found that the risk to public safety had been unnecessarily increased in one case in which the program contradicted its own standard practice by releasing a sex offender who had not completed treatment; that individual subsequently committed another assault.

Staff members now have more input on discharge decisions and have written procedures to follow.

The program has implemented the Committee's recommendations that it develop written discharge policies and improve accountability for those decisions by requiring clinical staff beyond the psychiatrist to formally weigh in on each discharge decision.

In addition, the Committee introduced, and the Legislature adopted, LB 610, which requires the program to have written discharge procedures.

The State Department of Education's School-based Teacher-led Assessment and Reporting System (STARS) (February 2007)



The Committee's main findings centered on a provision in the Quality Education Accountability Act that requires the Department to select four "model assessments" in designated subject areas.

The Committee found that the term "assessment" was not defined in the act. The Committee interpreted the term "assessment" to mean "test," but the Department strongly disagreed with this interpretation.

The Committee recommended that the Department immediately act to conform with the Committee's interpretation of the law or seek to introduce legislation if it believed that conforming to this interpretation was impossible or undesirable.

The Committee also introduced a placeholder bill (because the audit report was not yet public at the time of bill introductions) to make necessary clarifications to the Act. Ultimately, the Committee chose not to pursue that bill and instead supported LB 653, introduced by Senator Raikes, which addressed many of the issues raised in the audit report. LB 653 was adopted.

LB 653, introduced by Senator Raikes and supported by the Committee, addressed many of the issues raised in the audit report. LB 653 was adopted.

The Nebraska Lottery's Implementation of LB 1039 (February 2007)

In 2006, the Legislature passed LB 1039, which amended the State Lottery Act to require the Lottery Division of the Department of Revenue (Lottery) to spend a minimum of five percent of its advertising budget on "problem gambling prevention, education and awareness messages."



The Lottery's implementation of the provisions of LB 1039 was reasonable and consistent with the introducer's intent.

The Committee conducted an audit to ensure that this requirement was implemented in conformance with legislative intent. The Committee found that, despite some unclear portions of new statutory language, the Lottery's implementation of the provisions of LB 1039 was reasonable and consistent with the introducer's intent.

The Committee recommended that the Lottery commit some of its policies to writing, and the Lottery has done so.

Highlights

National Assembly of Guyana Visit
Eight members of Guyana's National Assembly visited Nebraska in March. Like Nebraska, Guyana has a unicameral, but unlike our state, has a parliamentary system of government. The members spent a week learning about the Legislature, Nebraska government, and performance auditing.



Legislative Auditor Appointed

The Executive Board appointed Martha Carter, formerly the Section's audit manager, to be the Legislative Auditor, a position created by the Legislature with the passage of LB 956 (2006).

Yellow Book Compliance

As of July 1, 2005, the Legislative Performance Audit Section began claiming compliance with the Government Accountability Office's Performance Auditing Standards (commonly called the Yellow Book Standards). Previously, the Section complied with all standards except those relating to peer review and continuing education, as a result of budgetary and staff-size constraints. The Section will undergo its first peer review in the spring of 2008.

Frequently Asked Questions

What is a Performance Audit?

A performance audit is an objective examination of a state program to determine, among other things, the program's effectiveness, efficiency, and compliance with legislative intent. These audits provide legislative oversight of state agency programs and improve efficiency and effectiveness.

Who serves on the Performance Audit Committee?

The Committee, which is reconstituted at the beginning of each biennial session, consists of: the Speaker of the Legislature; the chairpersons of the Executive Board and the Appropriations Committee; and four other senators, chosen by the Executive Board.

Who can request an audit?

Any Constitutional officer, state senator, or legislative division head can request a performance audit. A member of the public may request that a senator submit a request on his or her behalf.

Where can I get more information about Performance Auditing?

Audit reports are available at www.nebraskalegislature.gov or can be obtained from the Legislative Audit and Research Office in Room 1201 of the State Capitol. Questions can be directed to Martha Carter, at (402) 471-2221.

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