



Douglas County Internal Audit

August 25, 2016

Douglas County Board of Commissioners
1819 Farnam Street, Suite LC2
Omaha, NE 68183

Attention: Mary Ann Borgeson, Mike Boyle, Jim Cavanaugh, Clare Duda, Marc Kraft, PJ Morgan, and Chris Rodgers

John Ewing, Douglas County Treasurer
1819 Farnam St, H-02
Omaha, NE 68183

Dear Commissioners and Mr. Ewing:

I have completed an audit of Douglas County motor vehicle taxes. The purpose of the audit was to assess the adequacy and effectiveness of the control processes used to assess and collect taxes related to recording vehicle titles and registrations. The audit revealed that controls were adequately designed and worked effectively for the processes tested. Details related to the testing appear below.

Background

As part of the fiscal year audit plan, Douglas County Internal Audit performs internal control testing for the Douglas County external audit firm, Hayes and Associates, LLC. The external auditor uses the test data provided by Internal Audit to formulate a professional opinion about the County's year-end financial statements. Below are the details related to tests of the controls to levy and collect motor vehicle taxes:

Objectives

The objectives of the audit were to ensure that:

- Assessed values and related tax levies were properly approved and authorized.
- Revenues for motor vehicle taxes were valued properly and recorded completely and accurately in the proper period.
- Cash collected for the taxes was posted completely and accurately in the proper period.

Scope and Methodology

In order to determine that the objectives were being met a sample of thirty registrations were tested by selecting six registrations from each of five days chosen randomly. The taxes were recalculated based upon Nebraska Department of Motor Vehicle schedules and traced through the system to see that revenue was posted and cash collected. The total motor vehicle property taxes generated for each of the five days was traced through various reports to verify that all of the receipts for the taxes were subsequently collected and reported completely and accurately.

Findings

There were no reportable issues identified.

Audit Standards

Internal Audit conducted this audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

Internal Audit has reviewed this information with the Douglas County Treasurer. Internal Audit appreciates the excellent cooperation provided by management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Mike Dwornicki at (402) 444-4327.

Sincerely,

Mike Dwornicki
Internal Audit Director

- cc: Mark Rhine
- Jude Lui
- Richard File
- Lenny Swanger
- Patrick Bloomingdale
- Joe Lorenz
- Diane Carlson
- Dan Esch

Sheri Larsen
Tim Cavanaugh
Patricia Carter
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