

## MEMORANDUM

**TO:** Mary Ann Borgeson, Chair, Douglas County Commissioner  
Clare Duda, Vice-Chair, Douglas County Commissioner  
Mike Boyle, Douglas County commissioner  
Marc Kraft, Douglas County commissioner  
PJ Morgan, Douglas County Commissioner  
Chris Rodgers, Douglas County Commissioner  
Pam Tusa, Douglas County Commissioner  
John Ewing, Douglas County Treasurer

**CC:** Thomas Cavanaugh, Douglas County Clerk/Comptroller  
Kathleen Hall, Chief Deputy Douglas County Clerk/Comptroller  
Jerry Prazan, Finance Administrator Douglas County Clerk/Comptroller  
Tim Cavanaugh, Chief Deputy Douglas County Treasurer  
T. Paul Tomoser, Audit Committee Chair  
Jack Armitage  
Ron Bucher  
Joni J. Davis  
Kathleen Kelley, Chief Administrative Officer  
Joe Lorenz, Director of Budget and Finance  
Patrick Bloomingdale, Deputy County Administrator  
Fred Weber, Hayes & Associates

**FROM:** Mike Dwornicki, Internal Audit Director

**DATE:** September 1, 2011

**SUBJECT:** Motor Vehicle Tax

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### 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 and fees.

**Objectives**

The objectives of the audit were to ensure that:

- Assessed values and related tax levies and fees 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 and fees were posted completely and accurately in the proper period.

**Scope and Methodology**

In order to determine that the objectives were being met a sample of twenty-five registrations were tested by selecting five registrations from each of five days chosen randomly. The taxes and fees 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 and balancing controls to verify that all of the cash for the taxes was subsequently recorded and collected.

**Findings**

There were no issues identified.

**Audit Standards**

Internal Audit conducted this audit in accordance with generally accepted government auditing standards. 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.

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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.