



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Michelle Matthews, Chairperson  
Village of Prosser  
13090 West Pearl Ave.  
Prosser, NE 68883

Dear Chairperson Matthews:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Prosser (Village) for the fiscal year ending 2020. **That request has been approved.**

As noted in **Comment and Recommendation Number 1** (“Audit Waiver Filing”) below, the Village’s audit waiver request was not filed within the time constraints set by the APA to allow for an adequate review. **To be considered for an audit waiver for the fiscal year ended September 30, 2021, the Village must file its audit waiver request by December 31, 2021. If the request is not filed by then, the APA will deny any requests filed thereafter.** The Village then will be required to have an audit conducted for fiscal year 2021, and that audit will be required to be filed with the APA by March 31, 2022. Costs of such audit will be the responsibility of the Village.

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Cum. Supp. 2020), the preliminary examination necessary to determine whether the audit waiver should be allowed or further audit work would be required, the APA noted certain internal control or compliance matters, or other operational issues, within the Village.

The following information is intended to improve internal controls or result in other operational efficiencies.

## **Comment and Recommendation**

### **1. Audit Waiver Filing**

The Village’s audit waiver request was filed with the APA on March 30, 2021, nearly six months after the fiscal year end and three months after the APA’s deadline of December 31, 2020. To ensure adequate time to review the village waiver requests, the APA required all villages filing an audit waiver to have those filing submitted with the APA by December 31, 2020.

Good internal control requires procedures to ensure that the forms required to be filed with the APA are submitted within the time constraints set out by State statute and by the APA. Without such procedures, there is an increased risk of not only noncompliance with State statute but also an increased chance of the Village’s audit waiver being denied or forfeited funds due to noncompliance of such filings.

We recommend the Village implement procedures to ensure forms required to be filed with the APA are submitted within the time constraints set out by the APA.

**2. Audit Waiver Form Error**

On Exhibit A of the Village’s audit waiver request form, the ending fund balance (line 24) of \$84,555.69 does not agree to the total cash and investment balances (line 28) of \$79,960.99, a variance of \$4,594.70.

Good internal control requires procedures to ensure that all information is properly reported on Exhibit A of the Village’s audit waiver request form.

Without such procedures, there is an increased risk of both lack of transparency and the waiver request being denied when discrepancies are noted.

We recommend the Board implement procedure to ensure accurate financial information is reported on the Village’s audit waiver request form.

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The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the Village’s policies or procedures. Nevertheless, our objective is to use the knowledge gained during the performance of that preliminary planning work to make comments and suggestions that we hope will prove useful to the Village.

This communication is intended solely for the information and use of the Village and its management. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions, please contact **Dakota Christensen at 402-499-8702 or dakota.christensen@nebraska.gov.**

Sincerely,



Mark Avery, CPA  
Assistant Deputy Auditor