



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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May 18, 2021

Todd Braun, Chairperson
Village of Carleton
P.O. Box 168
Carleton, NE 68326

Dear Chairperson Braun:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Carleton (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

Audit Waiver Filing

The Village’s audit waiver request was filed with the APA on April 30, 2021, seven months after the fiscal year end and four 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.

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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,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor