



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

December 29, 2021

Darrin Trampe, Chairperson
Amherst Rural Fire District 8
16330 Cessna RD
Amherst, NE 68812-2008

Dear Chairperson Trampe:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Amherst Rural Fire District 8 (District) for the fiscal year ending 2021. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (2021 Neb. Laws, LB 528, § 51), the preliminary examination necessary to determine whether further audit work would be required or the audit waiver should be allowed, the APA noted certain internal control or compliance matters, or other operational issues, within the District.

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

Comment and Recommendation

Lack of Dual Signatures

The APA obtained the monthly statements for the District's bank accounts from its fiscal year 2021 audit waiver request. From those statements, the APA noted that 29 District checks written during the examination period contained only one signature. The District occasionally utilizes a remote check service, which only requires one individual with the District to authorize a payment on the account. An example of such checks is shown below.

Account: AMHER-1 PLEASE POST THIS PAYMENT FOR OUR MUTUAL CUSTOMER \$6,053.00

AMHERST RURAL FIRE DISTRICT
16330 CESSNA RD
AMHERST, NE 68812

Please Direct Any Questions To
(800) 243-2308
Online Bill Payment Processing Center

HEARTLAND BANK
HEARTLAND BANK OF NEBRASKA, INC. MEMBER FDIC

0000995157
April 23, 2021

Pay SIX THOUSAND FIFTY THREE AND 00/100 DOLLARS

TO THE ORDER OF BARNEY INSURANCE
PO BOX 3159
KEARNEY, NE 68848-3159

VOID AFTER 180 DAYS
Signature On File
This check has been authorized
by your depositor

#995157 05/03/2021 \$6,053.00

Nebraska law requires both the Secretary-Treasurer and the President of the District to sign all checks approved by the Board. In particular, Neb. Rev. Stat. § 35-511 (Reissue 2016) states that those checks “shall bear the signature of the secretary-treasurer and the countersignature of the president of such district.”

In addition, good internal controls and sound accounting practices require procedures to ensure that District checks contain the statutorily required endorsements.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public funds.

A similar issue was identified by the APA in a prior review and was disclosed to the District in the APA's letter dated November 2, 2020, which can be found on the APA's website. However, it does not appear this issue was corrected after the APA's notification.

We recommend the Board implement procedures to require dual signatures, from both the Secretary-Treasurer and the President, on all District checks, as required by law.

* * * * *

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 District'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 District.

This communication is intended solely for the information and use of the District 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