



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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December 23, 2022

Bernard Chasek, Chairperson
Chadron Rural Fire District 2
P.O. Box 829
Chadron, NE 69337

Dear Chairperson Chasek:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Chadron Rural Fire District 2 (District) for the fiscal year ending 2022. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Cum. Supp. 2022), 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 Per Diem Allowance Policy

During the review of the bank statements obtained from the District's audit waiver request, it was noted that the District wrote several checks to the Chadron Volunteer Fire Department, totaling \$6,647. The APA observed that one of the payments included six per diem allowances, totaling \$100 each, for meal expenses for firefighters that traveled to a training conference. Per the Secretary-Treasurer of the District, no formal policy for per diem allowances has been approved by the District Board of Directors (Board). Additionally, it was noted that the Board did not approve these payments prior to the conference.

Good internal controls require the Board approve a formal, written per diem policy. Such policy should outline when per diem payments are allowed and the per diem rates. Without such procedures, there is an increased risk of loss, theft, or misuse of District funds.

We recommend the District approve a formal, written per diem policy. Such policy should outline when per diem payments are allowed and the per diem rates.

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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 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,

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