



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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December 23, 2022

Don Holtgrew, Chairperson  
Atkinson Rural Fire Protection District 1  
PO Box 117  
Atkinson, NE 68713

Dear Chairperson Holtgrew:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Atkinson Rural Fire Protection District 1 (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.

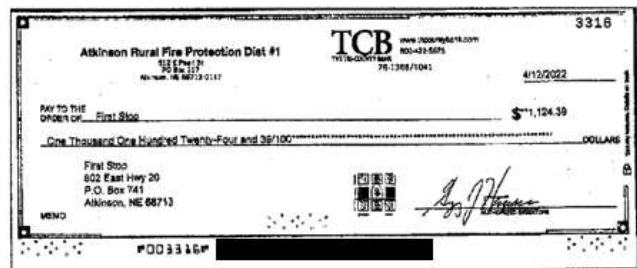
## Comments and Recommendations

### 1. Lack of Dual Authorized Signatures

The APA obtained the monthly statements for the District's bank accounts from its fiscal year 2022 audit waiver request. From those statements, the APA noted that two District checks written out of the Fire General Checking Account during the examination period contained only one signature. These checks are shown below.



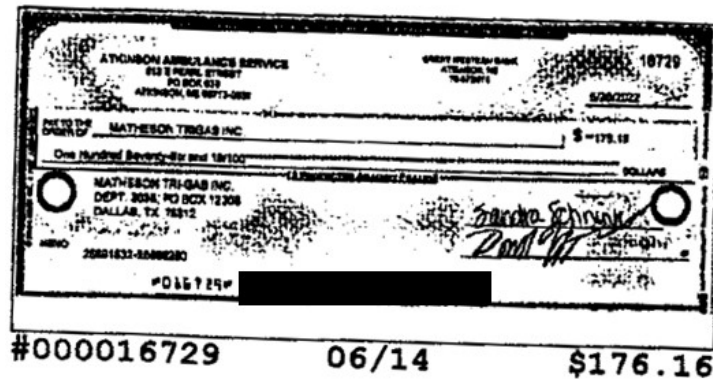
Check: 3330 Amount: \$235.11 Date: 1/19/2022 Check 3330



#3316 04/22/2022 \$1,124.39

A similar issue was identified by the APA in a prior review and was disclosed to the District in the APA's letter dated December 29, 2021, which can be found on the APA's website. These checks were written after the APA's letter.

Additionally, the APA noted that all District checks written out of the Ambulance Service Checking Account were signed by an individual that is not a member of the District Board. An example of such checks is shown below.



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.

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.

## 2. Expenditures in Excess of Budget

For the fiscal year ended June 30, 2022, actual expenditures exceeded the adopted budget by \$10,516. No amendment was filed with our office for these additional expenditures.

Neb. Rev. Stat. § 13-510 (Reissue 2022) states, in relevant part, the following:

*No expenditure during any fiscal year or biennial period shall be made in excess of the amounts indicated in the adopted budget statement, except as authorized in section 13-511, or by state law. Any officer or officers of any governing body who obligates funds contrary to the provisions of this section shall be guilty of a Class V misdemeanor.*

Neb. Rev. Stat. § 13-511 (Reissue 2022) sets out the procedures for amending the adopted budget accordingly.

When expenditures are made in excess of the amounts budgeted, with no appropriation adjustments by the Board to address those excesses, the District is noncompliant with State statute, further increasing the risk for loss and/or misuse of funds.

We recommend the Board implement procedures to monitor closely its budget status on an ongoing basis to avoid incurring expenditures in excess of the amount budgeted, and amend the budget as necessary.

\* \* \* \* \*

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