



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

January 20, 2022

Dean Pokorny, Chairperson
Wheeler County Rural Fire Protection District
48353 828th Road
Ericson, NE 68637

Dear Chairperson Pokorny:

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

Comments and Recommendations

1. 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 all District checks written during the examination period contained only one signature. An example of such a check is included below.

WHEELER COUNTY RURAL
FIRE PROTECTION DISTRICT
BARTLETT, NE 68622

78-108/NEB 4311
DATE 5-18-2021

PAY TO: Wade Mark LLC \$ 455.69
Four Hundred Fifty Five 69/100

ERICSON
State Bank
P.O. Box 40 • Ericson, Nebraska 68637

Greg A. Smith

AM: 455.69 CK: 4311 DT: 06/09 SQ: 80101120 Paid

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.

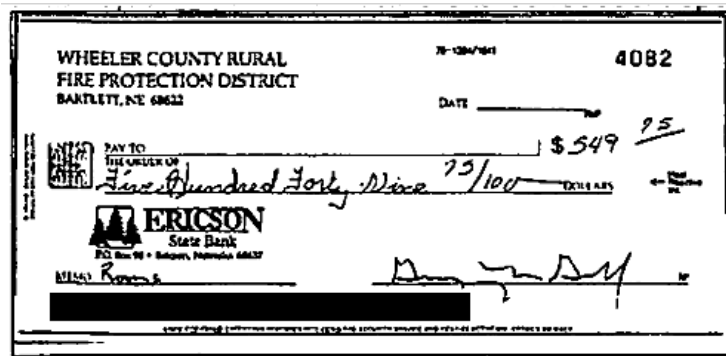
Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public funds.

A similar issue was identified by the APA in a prior review and was disclosed to the District in the APA’s letter dated December 8, 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.

2. Blank Payee on Check

During our review of the bank statements provided by the District, the APA noted one check, totaling \$549.75, where the “Pay To the Order Of” field was left blank, as shown below.



Per the District, these checks were paid to La Quinta for hotel rooms during meetings in Kearney. The District was able to provide supporting receipts to verify that was accurate.

Good internal controls and sound business practices require procedures and policies to ensure that all checks are completed in their entirety.

When such procedures do not exist, there is an increased risk of loss, misuse, or theft of District funds.

We recommend the District implement policies and procedures to ensure that all checks are completed in their entirety.

* * * * *

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". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor