



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

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

December 21, 2023

Jeff Grabill, Chairperson  
Roseland Fire District  
6745 West Oak Ridge Road  
Hastings, NE 68901

Dear Chairperson Grabill:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Roseland Fire District (District) for the fiscal year ending 2023. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2023), 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 Adequate Documentation

During review of the District's bank statements for fiscal year 2023, the APA noted that the Chairperson of the District Board of Directors (Board), Jeff Grabill, was paid \$900 on September 22, 2022. Per the District, the Chairperson of the Board is paid \$25 for each meeting attended during the year, plus an additional \$100 each year for additional work required by the Chairperson.

The APA received documentation showing the meetings attended by Mr. Grabill, and based on the documentation received, it appears that Mr. Grabill attended 16 meetings between October 2021 and September 2022, resulting in payment of \$400. Mr. Grabill was also paid the additional \$100 for being the Chairperson, for a total payment owed of \$500. The District was unable to provide documentation to support the remaining \$400. Additionally, it appears the \$900 payment was in excess of the limits set by State statute.

Neb. Rev. Stat. § 35-506(3) (Cum. Supp. 2022) states the following regarding compensation of District Board members:

*The members of the board of directors of a rural or suburban fire protection district may receive up to fifty dollars for each meeting of the board, but not to exceed twelve meetings in any calendar year, and reimbursement for any actual expenses necessarily incurred as a direct result of their responsibilities and duties as members of the board engaged upon the business of the district. When it is necessary for any member of the board of directors to travel on business of the district and to attend meetings of the district, he or she shall be allowed mileage at the rate provided in section 81-1176 for each mile actually and necessarily traveled.*

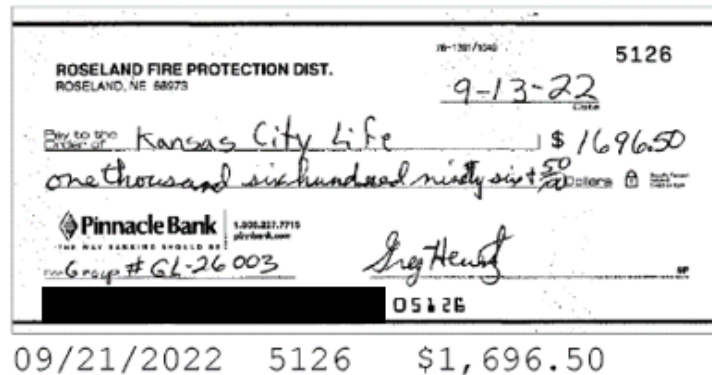
Good internal controls require procedures to ensure that proper documentation is maintained for all disbursements, including payments to Board members. Further, good internal controls require procedures to ensure that Board members are not paid in excess of the compensation limits set by State statute.

Without such procedures, there is an increased risk for the loss, misuse, or abuse of public funds.

We recommend the Board implement procedures to ensure proper documentation is maintained for all disbursements, including payments to Board members. We further recommend the Board implement procedures to ensure that Board members are not paid in excess of the compensation limits set by State statute.

**2. Lack of Dual Signatures**

The APA obtained the monthly statements for the District’s bank accounts from its fiscal year 2023 audit waiver request. From those statements, the APA noted that two District checks written during the examination period contained only one signature. 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.

\* \* \* \* \*

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