

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 369**

FINAL READING

Introduced by Sanders, 45; Stinner, 48.

Read first time January 13, 2021

Committee: Government, Military and Veterans Affairs

- 1 A BILL FOR AN ACT relating to the Auditor of Public Accounts; to amend  
2 section 84-305.01, Revised Statutes Cumulative Supplement, 2020; to  
3 provide for access to working papers and audit files as prescribed;  
4 to provide for a late fee and other enforcement powers; to provide a  
5 penalty; and to repeal the original section.  
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 84-305.01, Revised Statutes Cumulative  
2 Supplement, 2020, is amended to read:

3 84-305.01 (1) The Auditor of Public Accounts shall have unrestricted  
4 access to the working papers and audit files for any audit report  
5 required to be filed with the office of the Auditor of Public Accounts.

6 (2) Upon receipt of a written request by the Auditor of Public  
7 Accounts for access to working papers and audit files, the auditor or  
8 auditing firm responsible for preparing such audit report shall provide  
9 to the Auditor of Public Accounts as soon as is practicable and without  
10 delay, but not more than three business days after receipt of such  
11 request, either (a) access to all of the requested materials or (b) a  
12 written explanation, including the earliest practicable date for  
13 fulfilling the request and an opportunity for the Auditor of Public  
14 Accounts to modify or prioritize the items within the request, if the  
15 entire request cannot with reasonable, good faith efforts be fulfilled  
16 within three business days after actual receipt of the request due to the  
17 significant difficulty or extensiveness of fulfilling the request. No  
18 delay due to the significant difficulty or extensiveness of any request  
19 for access to working papers and audit files shall exceed three calendar  
20 weeks after receipt of the written request from the Auditor of Public  
21 Accounts. The three business days shall be computed by excluding the day  
22 the request is received, after which the designated period of time begins  
23 to run. Business day does not include a Saturday, a Sunday, or any of the  
24 days enumerated in section 25-2221 or declared by law or proclamation of  
25 the President of the United States or Governor to be holidays.

26 (3) If the auditor or auditing firm responsible for preparing such  
27 audit report fails to comply timely and fully with a request for access  
28 to working papers and audit files, the Auditor of Public Accounts may:

29 (a) Assess the auditor or auditing firm a late fee of twenty dollars  
30 per day for each calendar day the requested working papers and audit  
31 files remain inaccessible. Such late fee shall begin on the same day that

1 the Auditor of Public Accounts notifies the auditor or auditing firm by  
2 facsimile transmission, email, or first-class mail of the failure to  
3 provide access. The total late fee assessed under this subdivision shall  
4 not exceed two thousand dollars per incident. Of the late fee assessed  
5 and collected pursuant to this subdivision, the Auditor of Public  
6 Accounts shall remit to the State Treasurer for credit to the Auditor of  
7 Public Accounts Cash Fund an amount sufficient to reimburse the direct  
8 costs of administering and enforcing this section, but such amount shall  
9 not exceed one hundred dollars from any such late fee assessed and  
10 collected. The Auditor of Public Accounts shall remit the remainder of  
11 any late fee assessed and collected under this subdivision to the State  
12 Treasurer to be distributed in accordance with Article VII, section 5, of  
13 the Constitution of Nebraska; and

14 (b) Refuse to accept any audit report prepared by the auditor or  
15 auditing firm for a period of three calendar years from the date that the  
16 notification described in subdivision (3)(a) of this section is received  
17 by such auditor or auditing firm.

18 (4) Any deficiency noted by the Auditor of Public Accounts in  
19 reviewing the working papers and audit files may be forwarded to the  
20 Nebraska State Board of Public Accountancy for its consideration. The  
21 Auditor of Public Accounts may make any information or documents required  
22 to investigate such deficiency available to the board.

23 (5) For purposes of this section, working papers and audit files  
24 means those documents containing evidence to support the auditor's  
25 findings, opinions, conclusions, and judgments and includes the  
26 collection of evidence prepared or obtained by the auditor during the  
27 audit.

28 (6)(a) If any written request made under subsection (2) of this  
29 section is sent by either registered or certified United States mail, a  
30 record authenticated by the United States Postal Service of delivery of  
31 such registered or certified mail shall be considered competent evidence

1 that the request was delivered to the person or entity to whom addressed.

2 (b) Any notification made under subdivision (3)(a) of this section  
3 which is transmitted through the United States mail shall be deemed made  
4 on the date it was mailed if the Auditor of Public Accounts provides  
5 competent evidence that such notification was deposited in the United  
6 States mail on such date.

7 ~~Any person who willfully fails to comply with the provisions of~~  
8 ~~section 84-305 or who otherwise willfully obstructs or hinders the~~  
9 ~~conduct of an audit, examination, or related activity by the Auditor of~~  
10 ~~Public Accounts or who willfully misleads or attempts to mislead any~~  
11 ~~person charged with the duty of conducting such audit, examination, or~~  
12 ~~related activity shall be guilty of a Class II misdemeanor.~~

13 Sec. 2. Any person who willfully fails to comply with section  
14 84-305 or 84-305.01, who otherwise willfully obstructs or hinders the  
15 conduct of an audit, examination, or related activity by the Auditor of  
16 Public Accounts, or who willfully misleads or attempts to mislead any  
17 person charged with the duty of conducting such audit, examination, or  
18 related activity shall be guilty of a Class II misdemeanor.

19 Sec. 3. Original section 84-305.01, Revised Statutes Cumulative  
20 Supplement, 2020, is repealed.