



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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February 18, 2026

To Whom It May Concern:

Please find attached hereto the two (2) regulation review forms required, per Neb. Rev. Stat. § 84-904 (Supp. 2025), to be submitted by the Nebraska Auditor of Public Accounts.

The following are the regulation review forms being submitted:

1. **Regulation Review Form for Title 41** (Auditor of Public Accounts) **Chapter 1** (Minimum Standards for Political Subdivision Audit Reports Required to Filed with the Auditor of Public Accounts).
2. **Regulation Review Form for Title 42** (Auditor of Public Accounts) **Chapter 1** (Minimum Standards for Government Employees Identified as Auditors).

Please contact me with any questions or concerns regarding this submission.

Sincerely,

Lance Lambdin
Office of the Nebraska Auditor of Public Accounts
(402) 326-8688

Regulation Review Form (1)

(Pursuant to Neb. Rev. Stat. § 84-904)

Agency Name:

Nebraska Auditor of Public Accounts

Responsible Division or Board (if applicable):

N/A

Citation of Rule / Regulation (i.e., 22 NAC Chapter 3):

41 NAC Chapter 1 (Effective 11/05/2002)

Rule and Regulation Title:

“Minimum Standards for Political Subdivision Audit Reports Required to be Filed with the Auditor of Public Accounts”

Brief explanation of the reason for the Rule / Regulation:

This regulation sets out the minimum standards for political subdivision audit reports required to be filed annually with the Auditor of Public Accounts, including: (001) General Authority; (002) Audit Requirement; (003) When the audit report must be filed; (004) Who may perform the audit; (005) Auditor selection and audit expense; (006) Appointment of an auditor; (007) Government Auditing Standards; (008) Audit report format; (009) Letter to management; (010) Tests of compliance; (011) Working paper retention; (012) Working paper review; and (013) Resource materials.

Statutory Authority

Nebraska Statute – Requires/Authorizes Regulation?

Yes No

If yes, provide citation(s):

Neb. Rev. Stat. § 84-304.01(1) (Reissue 2024): “It shall be the duty of the Auditor of Public Accounts to establish, by rule and regulation, minimum standards applicable to all audit, financial, or accounting reports or copies of such reports required to be filed with the Auditor of Public Accounts by any political subdivision of the State of Nebraska. Such minimum standards shall be in accordance with sound accounting principles, in conformity with generally accepted auditing standards and government auditing standards, and designed to bring about uniformity in the content and form of such reports within the same type of political subdivision. Audit reports of any political subdivision required to file such reports with the Auditor of Public Accounts shall be prepared in conformity with generally accepted auditing standards and government auditing standards.”

Federal Statute/Mandate – Requires/Authorizes Regulation?

Yes No

If yes, provide citation(s):

N/A

Would changes require federal review/approval?

Yes No

Review Questions (Statutory Criteria)

1. Is the rule or regulation essential to the health, safety, or welfare of the public?

Yes No

2. Do the costs of the rule or regulation outweigh the benefits?

Yes No

If yes, provide explanation:

N/A

3. Does the agency have a process in place to measure the effectiveness of the rule or regulation?

Yes No

4. Has a less restrictive alternative been considered?

Yes No

If NO, provide explanation as to why a less restrictive alternative was not considered:

A less restrictive alternative would likely prove ineffective, placing public funds at risk due to the resulting failure of political subdivisions to submit properly completed audit reports to the Auditor of Public Accounts. Absent such submissions, there would be little effective oversight for the handling of public funds at the local level.

5. Was the rule or regulation promulgated as a result of:

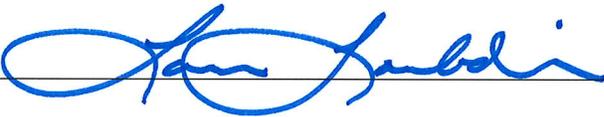
State Statutory Requirements Federal Statute/Mandate Court Decision

Provide citation(s):

Neb. Rev. Stat. § 84-304.01(1) (Reissue 2024): "It shall be the duty of the Auditor of Public Accounts to establish, by rule and regulation, minimum standards applicable to all audit, financial, or accounting reports or copies of such reports required to be filed with the Auditor of Public Accounts by any political subdivision of the State of Nebraska. Such minimum standards shall be in accordance with sound accounting principles, in conformity with generally accepted auditing standards and government auditing standards, and designed to bring about uniformity in the content and form of such reports within the same type of political subdivision. Audit reports of any political subdivision required to file such reports

with the Auditor of Public Accounts shall be prepared in conformity with generally accepted auditing standards and government auditing standards.”

Name of Agency Review Designee: **Lance Lambdin**

Signature of Agency Review Designee:  _____

Date: February 18, 2026

Regulation Review Form (2)

(Pursuant to Neb. Rev. Stat. § 84-904)

Agency Name:

Nebraska Auditor of Public Accounts

Responsible Division or Board (if applicable):

N/A

Citation of Rule / Regulation (i.e., 22 NAC Chapter 3):

41 NAC Chapter 2 (Effective 11-04-2002)

Rule and Regulation Title:

“Minimum Standards for Government Employees Identified as Auditors”

Brief explanation of the reason for the Rule / Regulation:

This regulation sets out the minimum standards for auditors who are employees of Nebraska state government or any political subdivision (except a village) thereof, including: (001) General Authority; and (002) Education and experience.

Statutory Authority

Nebraska Statute – Requires/Authorizes Regulation?

Yes No

If yes, provide citation(s):

Neb. Rev. Stat. § 84-304.03 (Reissue 2024): “The Auditor of Public Accounts shall establish minimum standards for all persons identified as auditors or who conduct audits of any agency of state government or of any political subdivision. Such standards shall be established to achieve the goal of assuring a proper level of competency in auditing and shall be distributed to all agencies of state government and all political subdivisions. No agency of state government or political subdivision shall employ any person as an auditor who fails to meet such minimum standards.”

Federal Statute/Mandate – Requires/Authorizes Regulation?

Yes No

If yes, provide citation(s):

N/A

Would changes require federal review/approval?

Yes No

Review Questions (Statutory Criteria)

1. Is the rule or regulation essential to the health, safety, or welfare of the public?

Yes No

2. Do the costs of the rule or regulation outweigh the benefits?

Yes No

If yes, provide explanation:

N/A

3. Does the agency have a process in place to measure the effectiveness of the rule or regulation?

Yes No

4. Has a less restrictive alternative been considered?

Yes No

If NO, provide explanation as to why a less restrictive alternative was not considered:

A less restrictive alternative could prove harmful to the welfare of the public due to the resulting possibility of Nebraska state agencies or political subdivisions entrusting public funds to the oversight of auditors who lack the requisite education and expertise to carry out satisfactorily the accounting responsibilities necessary for ensuring the proper handling of those monies.

5. Was the rule or regulation promulgated as a result of:

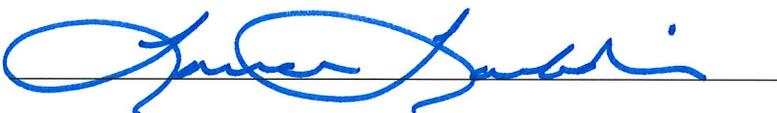
State Statutory Requirements Federal Statute/Mandate Court Decision

Provide citation(s):

Neb. Rev. Stat. § 84-304.03 (Reissue 2024): "The Auditor of Public Accounts shall establish minimum standards for all persons identified as auditors or who conduct audits of any agency of state government or of any political subdivision. Such standards shall be established to achieve the goal of assuring a proper level of competency in auditing and shall be distributed to all agencies of state government and all political subdivisions. No agency of state government or political subdivision shall employ any person as an auditor who fails to meet such minimum standards."

Name of Agency Review Designee: Lance Lambdin

Signature of Agency Review Designee:



Date: February 18, 2025