



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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July 29, 2019

James Dresch, Chairperson  
Village of Primrose  
107 Dewey Street  
Primrose, NE 68620

Dear Chairperson Dresch:

As you know, the Nebraska Auditor of Public Accounts (APA) has approved the fiscal year 2018 audit waiver for the Village of Primrose (Village). However, while performing our review to determine whether to approve the audit waiver, the APA noted certain internal control or compliance matters, or other operational issues, within the Village. The following information is intended to improve internal controls or result in other operational efficiencies.

## Comments and Recommendations

### 1. Lack of Claim Purpose

During our comparison of the Village's bank account details to claims approved by the Board, the APA noted that a majority of the claims listed in the Board's official proceedings lacked descriptions of their respective purposes.

The following is an example of the approved claims listing provided by the Village for August 7, 2018:

Name	Description	Amount
Grossart Inc.	community bldg. heating/air	\$ 4,100.00
Bob Thompson	mowing	\$ 600.00
Loup Power		\$ 536.33
J & S Garbage		\$ 500.00
Jim Dresch		\$ 322.00
League of NE Municipalities	dues	\$ 210.00
Irene Dresch		\$ 150.00
Black Hills Energy		\$ 127.77
Boone Co. Sheriff		\$ 100.00
Midwest Lab		\$ 60.00
Niemann's Port-a-Pot		\$ 60.00
Great Plains Communication		\$ 55.83
Albion News		\$ 49.46
NE Public Health Lab		\$ 15.00
Jim Dresch	postage	\$ 12.95
Curtis Pribnow		\$ 11.00
Victoria Dobson		\$ 11.00
Bob Thompson		\$ 11.00
Macayla Jipsen		\$ 11.00
	<b>Total</b>	<b>\$ 6,943.34</b>

Neb. Rev. Stat. § 19-1102 (Cum. Supp. 2018) requires publication of the Board’s official proceedings, which must include, among other things, the purpose of each claim allowed, as follows:

*It shall be the duty of each village or city clerk in every village or city having a population of not more than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census to prepare and publish the official proceedings of the village or city board, council, or commission within thirty days after any meeting of the board, council, or commission. The publication shall be in a newspaper in or of general circulation in the village or city, shall set forth a statement of the proceedings of the meeting, and shall also include the amount of each claim allowed, the purpose of the claim, and the name of the claimant, except that the aggregate amount of all payroll claims may be included as one item. Between July 15 and August 15 of each year, the employee job titles and the current annual, monthly, or hourly salaries corresponding to such job titles shall be published. Each job title published shall be descriptive and indicative of the duties and functions of the position. The charge for the publication shall not exceed the rates provided for in section 23-122.*

(Emphasis added.) Good internal control and sound accounting practices require procedures to ensure that the Board’s official proceedings describe the purpose of each claim allowed.

Without such procedures, there is an increased risk of not only failure to comply with statutory publication requirements but also a lack of transparency regarding the nature of public expenditures.

We recommend the Board implement procedures to ensure the purpose of each claim allowed is included in the Board’s official proceedings and published in accordance with State statute.

## 2. Payment of Unapproved Claims

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified numerous checks, totaling \$579.32, which were paid but not included on the claims listing to be approved by the Board.

Those unapproved disbursements are summarized in the table below:

Name	Check #	Check Date	Amount
Bob Thompson	9325	8/7/2018	\$ 10.16
Vicki Dobson	9326	8/7/2018	\$ 10.16
Curtis Pribnow	9327	8/7/2018	\$ 10.16
Jim Dresch	9340	8/7/2018	\$ 310.32
Irene Dresch	9341	8/7/2018	\$ 138.52
Boone County Treasurer	9331	8/7/2018	\$ 100.00
<b>Total</b>			<b>\$ 579.32</b>

Good internal control requires procedures to ensure that all claims are approved by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

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

We recommend the implementation of procedures to ensure all claims are approved by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

*Overall Village Response: The village of Primrose has a population of 61 people. During our village board of trustee meetings, the village clerk (Irene Dresch) provides the board with a list of bills and receipts; plus copies of invoices. There is never a question of what the invoices are for. When the meeting proceedings are printed, the public can view the list of bills and receipts of the meeting, if they choose to.*

*I do not feel there is a problem within our internal operations.*

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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 Village'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 Village.

Draft copies of this letter were furnished to the Village to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. Any formal responses received have been incorporated into this letter. Such responses have been objectively evaluated and recognized, as appropriate, in the letter. Any response indicating that corrective action has been taken was not verified at this time.

This communication is intended solely for the information and use of the Village 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 regarding the above information, please contact our office.

Sincerely,



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cc: Irene Dresch, Village Clerk