



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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September 16, 2019

Duane Hinman, Chairperson  
Village of Craig  
P.O. Box 85  
Craig, NE 68019

Dear Chairperson Hinman:

As you know, the Nebraska Auditor of Public Accounts (APA) has approved the fiscal year 2018 audit waiver for the Village of Craig (Village). However, while perform 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. Payment of Unapproved Claims**

During our comparison of the Village's bank account details to claims approved by the Village Board (Board), the APA identified two checks, totaling \$137.00, which were paid but not included on the claims listing to be approved by the Board.

Details of those two checks are set out below:

Name	Check #	Clear Date	Amount
USPS	10849	8/6/2018	\$ 120.00
Braniff Service	10860	8/15/2018	\$ 17.00
<b>Total</b>			<b>\$ 137.00</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 Board implement 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.

*Village Response: We have started a finance committee and they meet before the meeting to sign off and look over claims to make sure that are listed and none forgotten.*

**2. Other Issues**

Exhibit A of the Village’s audit waiver request form originally filed with the APA did not report accurate beginning fund balances for the General and Debt Service funds. As a result, Exhibit A had to be revised and resubmitted.

Good internal control requires procedures to ensure that accurate fund balances are reported on the Village’s audit waiver request form.

Without such procedures, there is an increased risk of a lack of transparency regarding the Village’s financial position.

We recommend the Board implement procedures to ensure accurate fund balances are reported on the Village’s audit waiver request form.

*Village Response: We have done two things to help with this issue. One, started using an accounting software to help better track our balance totals. Two, we have hired a new accountant for the Village.*

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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: Megan Unwin, Village Clerk