



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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July 16, 2019

Robert Brockmeyer, Chairperson
Village of Daykin
P.O. Box 214
Daykin, NE 68338

Dear Chairperson Brockmeyer:

As you know, the Nebraska Auditor of Public Accounts (APA) has approved the fiscal year 2018 audit waiver for the Village of Daykin (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. Payment of Claims Prior to Board Approval

During our comparison of the Village's bank account details to claims approved by the Village Board (Board), the APA noted that two Village checks, totaling \$1,969.56, were issued before the underlying claims were approved by the Board. The table below provides a summary of those premature payments:

Name	Bank Account	Approval Date	Check #	Check Clear Date	Check Amount	Days Paid Before Approval
Jeremy VanWesten	General Account	9/11/2018	13972	8/20/2018	\$ 978.74	22
Jeremy VanWesten	General Account	9/11/2018	13973	9/4/2018	\$ 990.82	7
				Total	\$ 1,969.56	

Neb. Rev. Stat. § 17-614(1) (Cum. Supp. 2018) sets out the proper method for the appropriation or payment of money by the Village, as follows:

All ordinances and resolutions or orders for the appropriation or payment of money shall require for their passage or adoption the concurrence of a majority of all members elected to the city council in a city of the second class or village board of trustees. . . .

(Emphasis added.) 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: Both checks were issued to Jeremy VanWesten, our maintenance person. Jeremy was hired on April 12, 2012 at an hourly wage, with paychecks being paid biweekly. He works 40 hours per week with overtime paid for emergency situations. He presently earns \$13.55 per hour. He turns in his time sheet to the clerk biweekly. The clerk prepares the check according to board policy and is signed by the chairman and the clerk and then reviewed and approved at the following months meeting.

2. Payment of Unapproved Claims

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified two checks, totaling \$1,008.82, which were paid but not included on the claims listing to be approved by the Board. These disbursements are summarized in the table below:

Name	Bank Account	Check #	Check Date	Check Amount
Jeremy VanWesten	General Account	13989	9/17/2018	\$ 990.82
Jefferson County Bank (Safe Deposit Box Rent)	General Account	EFT	9/10/2018	\$ 18.00
			Total	\$ 1,008.82

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: Check #13989 was wages paid to Jeremy VanWesten for the previous two weeks and would not be approved by the board until the October meeting due to Jeremy being paid biweekly. The EFT from the Jefferson County Bank, which is our board designated depository, is for the safety deposit box rent, and is automatically charged by the bank and was reported to the board at the October meeting.

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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,

A handwritten signature in cursive script that reads "Mary Avery". The signature is written in black ink and is positioned to the left of the typed name and contact information.

Mary Avery
Special Audits and Finance Manager
Phone (402) 471-3686
mary.avery@nebraska.gov

cc: Donna Rut, Village Clerk