



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Ben Laun, Chairperson
Village of Table Rock
P.O. Box 123
Table Rock, NE 68447

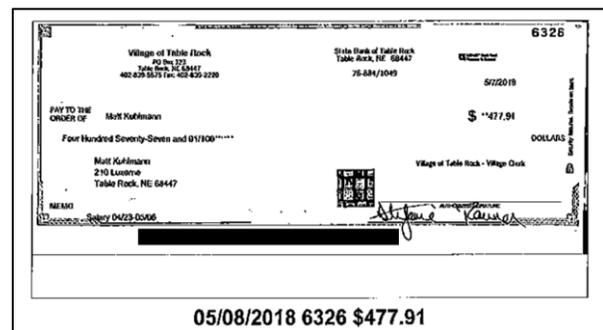
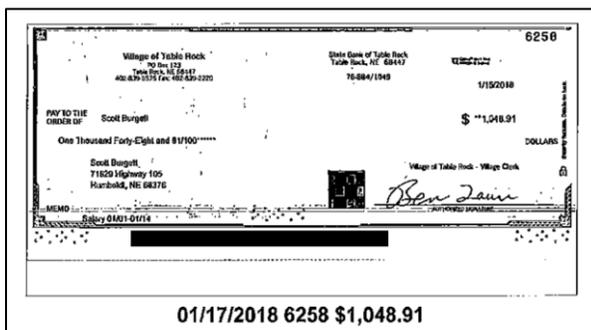
Dear Chairperson Laun:

As you know, the Nebraska Auditor of Public Accounts (APA) has approved the fiscal year 2018 audit waiver for the Village of Table Rock (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. Dual Signatures Required on Checks

The APA obtained the bank statements for the Village's accounts from its fiscal year 2018 audit waiver request. From these statements, the APA noted that two Village checks, totaling \$1,526.82, written during the examination period contained only one signature. Images of those checks are shown below:



State statute requires Village checks to be signed by both the Village Board (Board) Chairperson and the Village Clerk. Specifically, Neb. Rev. Stat. § 17-711 (Cum. Supp. 2018) provides the following:

All warrants drawn upon the city treasurer of a city of the second class or village treasurer must be signed by the mayor or chairperson of the village board of trustees and countersigned by the city clerk or village clerk, stating the particular fund to which the same is chargeable, the person to whom payable, and for what particular object. No money shall be otherwise paid than upon such warrants so drawn. Each warrant shall specify the amount included in the adopted budget statement for such fund upon which it is drawn and the amount already expended of such fund.

Good internal control and sound accounting practices require procedures to ensure that Village checks contain the statutorily required endorsements.

Without such procedures, there is an increased risk of not only failure to comply with State statute but also the loss and/or misuse of Village funds.

We recommend the Board implement procedures to require dual signatures, from the Board Chairperson and the Village Clerk, on all Village checks, as required by law.

Village Response: Dual signatures are already required for Village disbursements and the clerk will continue to review all checks before they are disbursed to make sure they have the proper signatures.

2. Lack of Claim Purpose

During our comparison of the Village’s bank account details to claims approved by the Board, the APA noted that 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 September 10, 2018:

Name	Description	Amount
Binder Bros Inc		\$ 190.46
Black Hills Energy		\$ 27.18
Blue Rivers Area Agency on Aging		\$ 500.00
League Association of Risk Management		\$ 8,914.31
League of Nebraska Municipalities		\$ 382.00
NPPD		\$ 179.86
One Call Concepts		\$ 7.59
OPPD		\$ 197.69
Pawnee Republican		\$ 120.08
Stefanie Rauner		\$ 550.00
Seneca Sanitation		\$ 364.00
Spectrum		\$ 163.13
John Ticnor		\$ 75.00
Visa		\$ 150.10
Frances Workman		\$ 265.97
Midwest Laboratories		\$ 10.00
NPPD		\$ 698.28
Visa		\$ 8.20
Binder Bros Inc		\$ 2,481.33
Matt Kuhlmann		\$ 631.67
NPPD		\$ 985.14
John Ticnor		\$ 1,976.04
Visa		\$ 278.64
Haug Communications Inc		\$ 15,023.34
Municipal Supply Inc of Omaha		\$ 449.59
Nebraska Public Health Environmental lab		\$ 205.00
	Total	\$ 34,834.60

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.

Village Response: Beginning with the October board meeting, a more descriptive “purpose” will be included in the board minutes regarding approved Village disbursements.

3. 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 \$90, 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/Vendor	Check #	Cleared Date	Amount
Utilities Section	6439	9/28/2018	\$ 45.00
Utilities Section	6450	9/28/2018	\$ 45.00
Total			\$ 90.00

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: The Village will continue to list all approved disbursements in its minutes and be sure that the listing for each month is all inclusive.

4. Other Issues

On the Village's original submission of its audit waiver request, Exhibit A reported \$28,862.07 of NPPD receipts incorrectly to an expense account.

Good internal control requires procedures to ensure that accurate activity is 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 financial activity is reported on the Village's audit waiver request form.

Village Response: The Village clerk posts the disbursement transactions to a quicken program and will continue to do so reviewing the results monthly to assure accuracy.

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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,



Mary Avery
Special Audits and Finance Manager
Phone (402) 471-3686
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cc: Stefanie Rauner, Village Clerk