



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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July 17, 2019

Sherry Yacks, Chairperson
Village of Hubbell
P.O. Box 42
Hubbell, NE 68375

Dear Chairperson Yacks:

As you know, the Nebraska Auditor of Public Accounts (APA) has approved the fiscal year 2018 audit waiver for the Village of Hubbell (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.

Comment and Recommendation

Lack of Claim Purpose

During our comparison of the Village's bank account details to claims approved by the Village Board (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 January 20, 2018:

Name	Description	Amount
Sargent Drilling		\$ 16,295.08
Norris Public Power		\$ 6,507.82
NE Dept Revenue		\$ 947.02
US Treasury		\$ 826.20
John Deere Financial		\$ 763.11
E. Laue		\$ 715.71
Blobaum & Busboom		\$ 600.00
JEO (1 & 6 Year Plan)		\$ 600.00
Garbage Co. South		\$ 398.00
G. Troxel		\$ 348.08
B. Welch		\$ 286.75
Norris Public Power		\$ 217.00
Office Depot		\$ 191.64
Great Plains Comm.		\$ 142.21
Reynolds Oil		\$ 137.65
Deshler Rustler		\$ 126.72
D. Svoboda		\$ 92.35

Name	Description	Amount
Landmark Implement		\$ 22.61
Hubbell CPO		\$ 3.85
One Call Concepts		\$ 1.14
Total		\$ 29,222.94

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: Thank you for your comments and recommendations. We currently put all that documentation on our checks, but we will immediately implement procedures to ensure the purpose of each claim allowed is included in our official proceedings and published as required by state law. We will publish all employee job titles, duties and current salaries with our July official proceedings annually.

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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 comment and recommendation contained herein. Any formal response received has been incorporated into this letter. Such response has been objectively evaluated and recognized, as appropriate, in the letter. A 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: Edith Laue, Village Clerk