



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Carol Berglund, Chairperson
Village of Winnetoon
411 Sherman Ave, Box 82
Winnetoon, NE 68789

Dear Chairperson Berglund:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Winnetoon (Village) for the fiscal year ending 2020. **That request has been approved.**

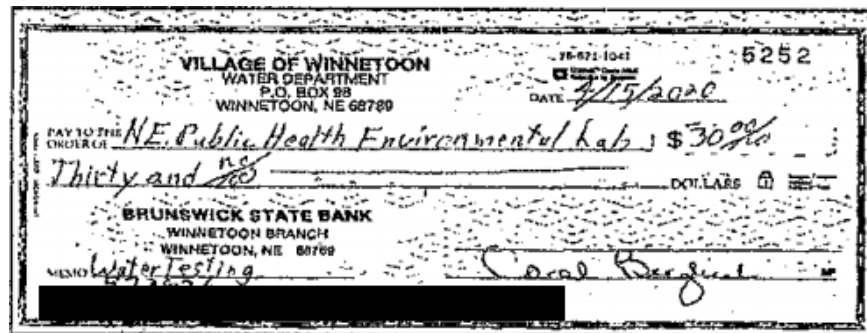
While performing, pursuant to Neb. Rev. Stat. § 84-304 (Cum. Supp. 2020), the preliminary examination necessary to determine whether the audit waiver should be allowed or further audit work would be required, the APA noted certain internal control or compliance matters, or other operational issues, within the Village.

The following information is intended to improve internal controls or result in other operational efficiencies.

Comments and Recommendations

1. Lack of Dual Signatures

The APA obtained the bank statements for the Village's accounts from its fiscal year 2020 audit waiver request. From these statements, the APA noted that five Village checks written during the examination period contained only one signature. An example of such checks is shown below.



State statute requires Village checks to be signed by both the Board Chairperson and the Village Clerk. Specifically, Neb. Rev. Stat. § 17-711 (Cum. Supp. 2020) 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.

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA's letter dated September 24, 2019, which can be found on the APA's website.

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.

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 the claimant name, amounts, and descriptions of the claims that were approved.

The following is an example of the approved claims listing provided by the Village for January 14, 2020:

Winnetoan Council Minutes	January 14 th , 2020
The council met for their regular meeting on January 14 th , 2020 at 6:00pm. The meeting was called to order by Berglund. Board members present were; Novacek, Vrooman, Berglund and Folck. Tauber was absent. Berglund announced that a copy of the Nebraska Open Meetings Act was available for public inspection.	
Folck presented the minutes of the December regular meeting. Novacek made a motion to approve the minutes as read, and was seconded by Vrooman. Ayes 4, Nays 0, motion passed.	
The treasure's report was given by Vrooman. Folck made a motion to approve the treasure's report and was seconded by Novacek. Ayes 4, Nays 0, motion passed.	
Vrooman presented the claims. Vrooman made a motion to pay Haylie Novacek's bill for cleaning community building, and was seconded by Folck. Ayes 3, Nays 0, Novacek abstained. Motion passed. Novacek made a motion to pay Folck's bill for snow removal and was seconded by Berglund. Ayes 3, Nays 0, Folck abstained. Motion passed. Novacek made a motion to pay all remaining claims and was seconded by Folck. Ayes 4, Nays 0, motion approved.	

Neb. Rev. Stat. § 19-1102 (Cum. Supp. 2020) 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 city clerk or village clerk in every city or village 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 city council or village board of trustees within thirty days after any meeting of the city council or village board of trustees. The publication shall be in a legal newspaper in or of general circulation in the city or village, 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.

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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.

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, please contact **Dakota Christensen at 402-499-8702 or dakota.christensen@nebraska.gov.**

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor