



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

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March 2, 2021

Raymond Musil, Chairperson
Village of DuBois
P.O. Box 87, 308 Miner
DuBois, NE 68345

Dear Chairperson Musil:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of DuBois (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 two of the Village checks written during the examination period contained only one signature, as shown below.

THE VILLAGE OF DUBOIS
Village Treasurer
DuBois, NE 68345
402-471-4468

13638

10/17/2019

PAY TO THE ORDER OF Fidelity Oil \$ 202.55

Two hundred Two and 55/100 DOLLARS

Fidelity Oil
PO Box 118
DuBois, NE 68345

TREASURER
Raymond Musil

MEMO STATEMENT DATED 8/20/19

11/01/2019 13638 \$202.55

THE VILLAGE OF DUBOIS
Village Treasurer
DuBois, NE 68345
402-471-4468

13651

10/24/2019

PAY TO THE ORDER OF Doug Hinrichsen Jr. \$ 1,475.00

One Thousand Four Hundred Seventy Five and 00/100 DOLLARS

Doug Hinrichsen Jr.
PO Box 24
DuBois, NE 68345

TREASURER
Raymond Musil

MEMO STATEMENT DATED 8/20/19

11/12/2019 13651 \$1,475.00

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 4, 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. Payment of Claims Prior to Board Approval

During our comparison of the Village’s bank account details to claims approved by the Board, the APA noted that the following checks, totaling \$4,003.87, were issued before the underlying claims were approved by the Board.

The table below provides a summary of the premature payments:

Approval Date	Name/Vendor	Amount	Check Written Date	Cleared Date	Days Paid Before Approval
1/28/2020	NE. Dept. of Revenue	\$ 684.79	1/16/2020	1/16/2020	12
1/28/2020	One Call Concepts	\$ 7.67	1/8/2020	1/8/2020	20
1/28/2020	NE Public Health Env. Lab	\$ 30.00	1/20/2020	2/5/2020	8
1/28/2020	NPPD	\$ 171.34	1/20/2020	1/31/2020	8
1/28/2020	NE Unemploymnet	\$ 11.14	1/16/2020	1/16/2020	12
1/28/2020	IRS	\$ 1,137.90	1/21/2020	1/21/2020	7
1/28/2020	NE Dept. of Revenue	\$ 155.85	1/22/2020	1/22/2020	6
1/28/2020	Friedly Oil	\$ 49.95	1/20/2020	1/31/2020	8
1/28/2020	NPPD	\$ 730.46	1/20/2020	1/31/2020	8
1/28/2020	Windstream	\$ 119.95	1/20/2020	2/7/2020	8
1/28/2020	Pawnee Republican	\$ 109.16	1/20/2020	1/31/2020	8
1/28/2020	Community Insurance	\$ 100.00	1/20/2020	2/25/2020	8
1/28/2020	Heinen True Value	\$ 38.25	1/20/2020	2/7/2020	8
1/28/2020	Helena Agri	\$ 7.41	1/20/2020	2/3/2020	8
1/28/2020	American Legal Publishing	\$ 650.00	1/20/2020	2/4/2020	8
Total		\$ 4,003.87			

Neb. Rev. Stat. § 17-614(1) (Cum. Supp. 2020) 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.

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 4, 2019, which can be found on the APA’s website.

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.

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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". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Mark Avery, CPA
Assistant Deputy Auditor