



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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May 24, 2021

Linda Hudson, Chairperson
Village of Belvidere
P.O. Box 387
Belvidere, NE 68315

Dear Chairperson Hudson:

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

As noted in **Comment and Recommendation Number 1** (“Audit Waiver Filing”) below, the Village’s audit waiver request was not filed within the time constraints set by the APA to allow for an adequate review. **To be considered for an audit waiver for the fiscal year ended September 30, 2021, the Village must file its audit waiver request by December 31, 2021. If the request is not filed by then, the APA will deny any requests filed thereafter.** The Village then will be required to have an audit conducted for fiscal year 2021, and that audit will be required to be filed with the APA by March 31, 2022. Costs of such audit will be the responsibility of the Village.

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. Audit Waiver Filing

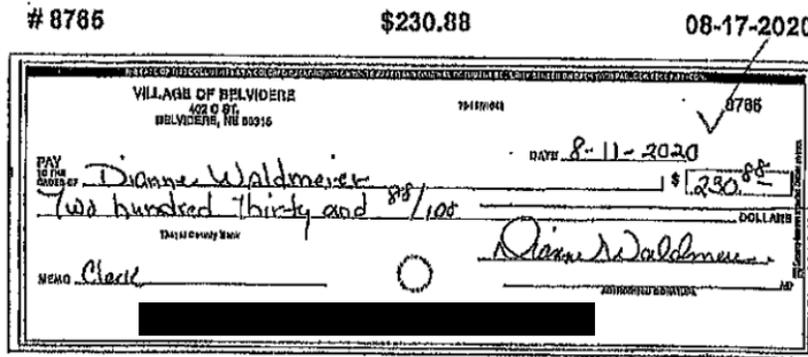
The Village’s audit waiver request was filed with the APA on May 19, 2021, nearly eight months after the fiscal year end and five months after the APA’s deadline of December 31, 2020. To ensure adequate time to review the village waiver requests, the APA required all villages filing an audit waiver to have those filing submitted with the APA by December 31, 2020.

Good internal control requires procedures to ensure that the forms required to be filed with the APA are submitted within the time constraints set out by State statute and by the APA. Without such procedures, there is an increased risk of not only noncompliance with State statute but also an increased chance of the Village’s audit waiver being denied or forfeited funds due to noncompliance of such filings.

We recommend the Village implement procedures to ensure forms required to be filed with the APA are submitted within the time constraints set out by the APA.

2. 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 one Village check written during the examination period contained only one signature, as 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 18, 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.

3. Payment of Unapproved Claim

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified one check, totaling \$27.50, which was paid but not included on the claims listing to be approved by the Board.

Details of the unapproved payment are included in the table below:

Check Date	Name/Vendor	Amount	Check #	Cleared Date
1/15/20	Hebron Post Office	\$27.50	8647	1/23/20

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.

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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