



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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February 17, 2022

Frank Robbins, Chairperson  
Village of Raymond  
P.O. Box 248  
Raymond, NE 68428

Dear Chairperson Robbins:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Raymond (Village) for the fiscal year ending 2021. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2021), 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 Claim Purpose

During our comparison of the Village's bank account details to claims approved by the Board, the APA observed meeting minutes dated January 5, 2021, and 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 5, 2021:

#### DECEMBER 2020 CLAIMS PRESENTED AT THE JANUARY MEETING

Janice Cochran se 150.70; Terry Brown sa 1,155.00 su 183.73; Zach Brown sa 25.00; Frank Robbins sa 25.00; Rick Robinson sa 25.00; Becky Bowen sa 25.00; Wayne Regnier sa 1,500.00; Nancy Niemann sa 500.00; Nebr Public Health Lab se 252.00; Norris Public Power se 1,584.97; Midwest Labs se 364.00; Johnson Service Company se 16,847.05; Joe Carlin sa 306.25 su 57.82; USA Blue Book su 71.81; USPS su 55.00; James Halvorson se 315.00; L&W Garbage se 42.00; JEO se 600.00; MC2 su 618.50; Windstream se 124.18; Bromm Lindahl se 858.00

The APA noted the claims listing above does include abbreviations (e.g. se, sa, su); however, no legend for these abbreviations were noted.

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.

**2. Negative Fund Balance**

On Exhibit A of the Village’s audit waiver request form, the APA noted that the Wastewater Fund had a deficit balance of \$110,194 as of September 30, 2021.

Good internal control and sound accounting practices require procedures to ensure that Village fund balances are sufficient to cover fully all disbursements and transfers approved by the Board. Those same procedures should ensure also that the Board is apprised regularly of each Village fund balance and, therefore placed in a position to take any action needed to resolve deficits therein.

Without such procedures, there is an increased risk of not only insufficient Village fund balances, but also the resultant inability to cover fully all disbursements and transfers approved by the Board.

We recommend the Village board implement procedures to ensure the Board is apprised regularly of each Village fund balance and, therefore, placed in a position to take any action needed to resolve the deficits therein.

**3. Payments Made in Excess of Approved Amounts**

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified one check paid in excess of the amounts approved by the Board.

The following table summarizes this overpayment:

| <b>Name</b> | <b>Claim Date</b> | <b>Approved Amount</b> | <b>Amount Paid</b> | <b>Overpayment</b> |
|-------------|-------------------|------------------------|--------------------|--------------------|
| Terry Brown | 1/11/2021         | \$ 155.00              | \$ 1,273.46        | \$ 1,118.46        |

Good internal control requires procedures to ensure that all claims are made in the amounts approved by the Board. Without such procedures, there is an increased risk for the loss or misuse of Village funds.

We recommend the Village implement procedures to ensure payments are made in the amounts approved by the Board.

\* \* \* \* \*

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 that reads "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