



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Pat Hodges, Chairperson  
Village of Julian  
104 West Street  
Julian, NE 68379

Dear Chairperson Hodges:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Julian (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. 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 \$1,063.60, were issued before the underlying claims were approved by the Board.

The table below provides a summary of the premature payments:

Name/Vendor	Amount	Approval Date	Check Date	Days Paid Before Approval
Nebraska Dept of Revenue	\$ 411.90	1/11/21	1/06/21	5
Nebraska City Utilities	\$ 48.18	1/11/21	12/28/20	14
Nebraska City Utilities	\$ 83.06	1/11/21	12/28/20	14
Nebraska City Utilities	\$ 123.00	1/11/21	12/28/20	14
Nebraska City Utilities	\$ 156.75	1/11/21	12/28/20	14
Nebraska City Utilities	\$ 164.94	1/11/21	12/28/20	14
Windstream	\$ 58.07	1/11/21	12/10/20	32
Windstream	\$ 17.70	1/11/21	12/29/20	13
<b>Total</b>	<b>\$ 1,063.60</b>			

Neb. Rev. Stat. § 17-614(1) (Supp. 2021) 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.

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.

**2. Payment in Excess of Approved Amount**

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 amount approved by the Board. The following table summarizes that overpayment:

<b>Name</b>	<b>Claim Date</b>	<b>Approved Amount</b>	<b>Amount Paid</b>	<b>Overpayment</b>
C. Woerlen	1/11/21	\$ 10.47	\$ 110.47	\$ 100.00

Good internal control requires procedures to ensure that all claims are made in the amount 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 amount approved by the Board.

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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,



Mark Avery, CPA  
Assistant Deputy Auditor