



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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April 6, 2022

Chris Shipley, Chairperson  
Village of Bee  
P.O. Box 27  
Bee, NE 68314

Dear Chairperson Shipley:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Bee (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 Adequate Supporting Documentation**

Our review of the bank statements obtained from the Village's audit waiver request revealed several checks to "VISA", totaling \$9,760. The APA contacted the Village to obtain the underlying supporting documentation for two of these checks; however, the Village was unable to provide adequate documentation to support that all funds disbursed pursuant thereto were indeed allowable and reasonable.

Additionally, the Village allows its ballroom to be rented by individuals and other entities for events. The APA noted that the Village recorded \$200 from the St. Wenceslaus Church in August 2021 for its use of the ballroom for a chicken dinner, which was deposited in December 2020. The APA requested the signed ballroom rental agreement with the St. Wenceslaus Church for this dinner; however, the Village did not have a copy of this agreement on file.

Neb. Rev. Stat. § 13-610(4) (Reissue 2012) requires all purchases with a political subdivision's purchasing card to be supported by an itemized receipt, as follows:

*An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.*

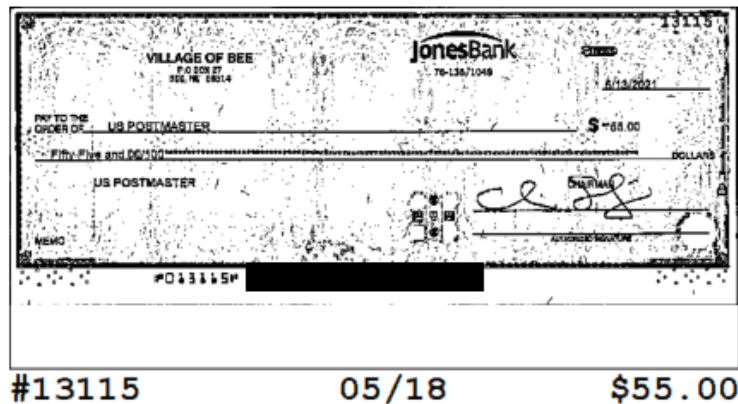
(Emphasis added.) Good internal control requires procedures to ensure proper documentation is maintained for all rental agreements and disbursement transactions, including purchases made with the Village's purchasing card.

Without such procedures, there is an increased risk for not only loss or misuse of public funds but also noncompliance with State statute.

We recommend the Village implement procedures to ensure proper documentation is maintained for all rental agreements and disbursement transactions, including purchases made with the Village's purchasing card.

**2. Lack of Dual Signatures**

The APA obtained the bank statements for the Village's accounts from its fiscal year 2021 audit waiver request. From these statements, the APA noted that six of the 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.

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.

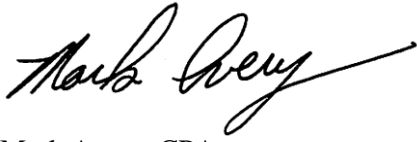
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The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the Village's policies or procedures. Nevertheless, our objective is to use the knowledge 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](mailto: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 horizontal line extending to the right.

Mark Avery, CPA  
Assistant Deputy Auditor