



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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March 30, 2023

Kimberle Primavera, Chairperson
Village of Hayes Center
PO Box 403
Hayes Center, NE 69032

Dear Chairperson Primavera:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Hayes Center (Village) for the fiscal year ending 2022. **That request has been approved.**

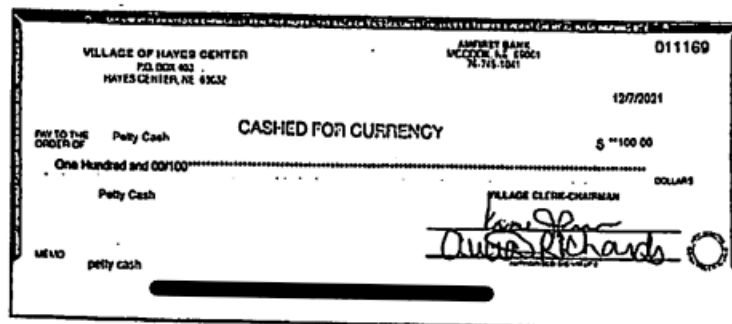
While performing, pursuant to Neb. Rev. Stat. § 84-304 (Cum. Supp. 2022), the preliminary examination necessary to determine whether the audit waiver should be allowed or further audit work would be required, the APA noted certain internal control or compliance matters, or other operational issues, within the Village.

The following information is intended to improve internal controls or result in other operational efficiencies.

Comment and Recommendation

Petty Cash Procedures

During our review, the APA noted one check, totaling \$100, made out to "Petty Cash;" however, according to Village Clerk the Village does not reconcile the petty cash balance to an approved amount set by the Village Board. This check brought the petty cash balance to its highest balance in the fiscal year of \$123.42. Furthermore, reimbursements to replenish the petty cash balance are not based on actual petty cash expenses. An image of the check made out to "Petty Cash" is shown below.



Good internal controls require procedures to ensure that petty cash funds are maintained at an authorized amount, and reimbursements to replenish the fund are based on actual petty cash expenses.

Without such procedures, there is an increased risk of loss or misuse of Village funds.

We recommend the Village implement procedures to ensure that petty cash funds are maintained at an authorized amount, and reimbursements to replenish the fund are based on actual petty cash expenses.

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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 cursive script, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor