



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
State Auditor

Mike.Foley@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
auditors.nebraska.gov

February 23, 2023

Terry Gurciullo, Jr., Chairperson  
Village of Maxwell  
P.O. Box 58  
Maxwell, NE 69151

Dear Chairperson Gurciullo:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Maxwell (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.

## Comments and Recommendations

### **1. Payments in Excess of Approved Amount**

During our comparison of the Village's bank account details to claims approved by the Board, the APA identified two checks, totaling \$849.36, were paid in excess of the amount approved by the Board.

The following table summarizes this overpayment:

Name	Claim Date	Approved Amount	Amount Paid	Overpayment
Black Hills Energy	5/10/2022	\$581.52	\$824.86	\$243.34
American Ag Lab	5/10/2022	\$19.50	\$24.50	\$5.00
<b>Total Overpayment</b>				<b>\$248.34</b>

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.

### **2. Payment of Unapproved Claims**

During our comparison of the Village's bank account details to claims approved by the Board, the APA identified the following checks, totaling \$6,393.62, which were paid but not included on the claims listing to be approved by the Board.

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

Name/Vendor	Check Date	Amount	Check #
Jim Gushorlese	05/09/22	\$583.55	7748
John Feeney	05/13/22	\$274.70	7750
Monica Breinig	05/13/22	\$623.67	7751
Beth Kucera	05/13/22	\$1,388.00	7752
Unemployment Tax	05/13/22	\$31.58	ACH
Intuit	05/13/22	\$44.87	ACH
Unemployment Tax	05/13/22	\$56.46	ACH
Adams Bank & Trust Loan Payment	05/16/22	\$356.89	ACH
Intuit	05/16/22	\$6.00	ACH
Intuit	05/19/22	\$2.13	ACH
Intuit	05/27/22	\$5.10	ACH
Intuit	05/31/22	\$3.07	ACH
John Feeney	05/31/22	\$335.07	7753
Kim Purrett	05/31/22	\$106.20	7754
Monica Breinig	05/31/22	\$806.37	7755
Beth Kucera	05/31/22	\$866.43	7756
Terry Guriciullo	05/31/22	\$50.79	7757
USPS	06/01/22	\$116.00	ACH
Amazon	06/01/22	\$238.32	ACH
Intuit	06/01/22	\$5.58	ACH
Intuit	06/03/22	\$2.02	ACH
Norton	06/06/22	\$174.05	ACH
Intuit	06/07/22	\$2.81	ACH
NE Dept of Revenue	06/07/22	\$95.21	ACH
NE Dept of Revenue	06/07/22	\$96.82	ACH
Intuit	06/08/22	\$13.67	ACH
Amazon	06/09/22	\$105.45	ACH
Intuit	06/09/22	\$2.81	ACH
<b>Total</b>		<b>\$6,393.62</b>	

Neb. Rev. Stat. § 17-614(1)(a) (Reissue 2022) 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.

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA’s letter dated March 22, 2022, which can be found on the APA’s website. However, it does not appear this issue was corrected after the APA’s notification.

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