



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Patrick Arnold, Chairperson
Village of Sumner
P.O. Box 85
Sumner, NE 68878

Dear Chairperson Arnold:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Sumner (Village) for the fiscal year ending 2023. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2023), 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

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 April 10, 2023, and noted that the claims listed therein lacked descriptions of their respective purposes. Furthermore, seven claims listed did not have amounts. Of the seven claims without amounts, USPS was the only vendor in which a payment was made via EFT in the amount of \$366.

The following is an example of the approved claims listing provided by the Village for April 10, 2023:

Motion made by Schoeder second Ross to pay the claims March to be paid in April
Ravenna Sanitation \$2,630.50; Dawson Co. Treasurer \$608.33; Dawson Public District \$2,837.01; Sarah Scoville \$1,000.00; Dennis Triplett \$250.90; Bonnie Hanam \$36.56; Eric Beattie \$154.93; **Beacon Observer \$**; Country Partners COOP \$1,904.99; **Heldt and McKeone \$**; **One Call Concept \$**; **Viearo \$**; Five Points Bank \$552.03; **Menards \$**; **USPS\$**; **Ben McClasin \$**; Nebraska Public Health \$22.00; Eldon's Inspection \$250.00; Area Services \$1,418.75; Platte Valley Excavating \$912.64; Nebraska Dept Labor \$75.00; Dearborn National \$154.80; John Kohl \$8,000.00

Neb. Rev. Stat. § 84-1413(1) (Cum. Supp. 2022) of the Open Meetings Act, which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2014, Cum. Supp. 2022), requires political subdivisions and other public entities to "keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed." (Emphasis added.)

Additionally, Neb. Rev. Stat. § 19-1102 (Reissue 2022) 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 meeting minutes describe the purpose and amount of each claim allowed.

Without such procedures, there is an increased risk of not only failure to comply with statutory requirements pertaining to the keeping of proper meeting minutes and the publication of the municipality’s “official proceedings” but also a lack of transparency regarding the nature of public expenditures.

A similar issue was identified by the APA in a prior review and was disclosed to the Village in the APA’s letter dated February 23, 2023, 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 the purpose and amount of each claim allowed is included in both the Board’s meeting minutes and the “official proceedings” required to be published afterwards.

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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 stylized flourish at the end.

Mark Avery, CPA
Assistant Deputy Auditor