



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 20, 2024

Jessica Hake, Chairperson
Village of Platte Center
P.O. Box 125
Platte Center, NE 68653

Dear Chairperson Hake:

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

Comments and Recommendations

1. Possible Conflict of Interest

The APA received the Village Board (Board) meeting minutes, along with the accompanying claims listing for April 11, 2023. From that documentation, the APA identified a potential conflict of interest involving the actions of Board member Tyler Coble.

According to the meeting minutes, Tyler Coble appears to have failed to abstain from voting on the following claims to his spouse, Nicolette Coble, who is the Village Clerk/Treasurer:

Name	Description	Check #	Amount
Nicolette Coble	Payroll/Wages	19588	\$ 1,032.46
Nicolette Coble	Payroll/Wages	19590	1,032.46
Total			\$ 2,064.92

An excerpt from the April 11, 2023, Board minutes is provided below:

Payroll	7,183.47	Mar-23
Platte Valley Equipment	2,761.97	Feb 2023 Tractor Rental & Parts Sale
Nebraska Department of Revenue.	1,372.38	Quarter 1 Income Taxes
Nebraska Department of Revenue.	238.53	Online (Prepaid)
The UPS Store	126.76	Mail Water Samples
US Cellular	11.98	Cell Phones (online payment)
Virg's Garage	780.07	Truck Maintenance
Vyve Broadband	217.41	Internet & Phones (Online Paymnet)
Zieglars Oil	260.36	Service Work to propane for aud.

Sliva made moved to accept reports and pay submitted bills. Pillen 2nd the motion. Roll Call, Ayes: Hake, Sliva, Coble, Pillen, Wolff
Nays: None. Motion carried.

The amount of payroll in the excerpt above includes the payroll for Nicolette Coble, totaling \$2,064.92. The APA inquired with the Village, and on January 16, 2024, Nicolette Coble confirmed, via email, that Board member Tyler Coble is her husband and stated the following:

He has voted as a whole to pay warrants which has included the payroll items. I suppose Tyler voting on the warrants as a whole is an oversight . . .

The apparent failure of Board member Tyler Cobble to abstain from voting on the motion above gives rise to concerns regarding possible violations of the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. §§ 49-1401 to 49-14,142 (Reissue 2021, Cum. Supp. 2022).

To start, Neb. Rev. Stat. § 49-14,101.01(1) (Reissue 2021) states the following:

A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated.

The penalty for violating the above-cited conflict of interest statute is set out in subsection (7) thereof, as follows:

[A]ny person violating this section shall be guilty of a Class III misdemeanor, except that no vote by any member of the Legislature shall subject such member to any criminal sanction under this section.

Furthermore, Neb. Rev. Stat. § 49-1499.03(2) (Reissue 2021) provides the following:

(a) Any person holding an elective office of a city or village not designated in section 49-1493 and any person holding an elective office of a school district who would be required to take any action or make any decision in the discharge of his or her official duties that may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public, shall take the following actions as soon as he or she is aware of such potential conflict or should reasonably be aware of such potential conflict, whichever is sooner:

(i) Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict;

(ii) Deliver a copy of the statement to the person in charge of keeping records for the city, village, or school district who shall enter the statement onto the public records of the city, village, or school district; and

(iii) Except as otherwise provided in subsection (3) of this section, abstain from participating or voting on the matter in which the person holding elective office has a conflict of interest.

(b) The person holding elective office may apply to the commission for an opinion as to whether the person has a conflict of interest.

(Emphasis added.) Good internal control requires procedures to ensure compliance with the applicable provisions of the Act. Without such procedures, there is an increased risk for both statutory violations and the loss of Village funds.

We recommend the Board implement procedures to ensure compliance with the applicable provisions of the Act. Because the issue addressed herein constitutes a possible violation of the Act, we are forwarding this information to the Nebraska Accountability and Disclosure Commission for further review.

2. Payment of Unapproved Claims

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified three payments, totaling \$720.43, 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 #
Amazon	4/14/23	\$ 70.57	EFT
Intuit	4/17/23	10.00	EFT
Amazon	4/18/23	639.86	EFT
Total		\$ 720.43	

Neb. Rev. Stat. § 17-614(1)(a) (Supp. 2023) 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 authorized 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 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 all claims are authorized by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

3. 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 three Village checks, totaling \$3,115.48, 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
Angus Burgers - Kearney	\$ 23.74	4/11/23	3/14/23	28
Nicolette Coble	1,032.46	4/11/23	3/26/23	16
Andrew Greisen	2,059.28	4/11/23	3/26/23	16
Total	\$ 3,115.48			

Neb. Rev. Stat. § 17-614(1)(a) (Supp. 2023) 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 authorized 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 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 all claims are authorized by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

4. 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 two electronic funds transfers (EFT), totaling \$150.50, were paid in excess of the amount approved by the Board. The following table summarizes these overpayments:

Name	Claim Date	Approved Amount	Amount Paid	Overpayment
US Cellular	4/11/23	\$ 11.98	\$ 126.76	\$ 114.78
Angus Burgers - Kearney	4/11/23	20.74	23.74	3.00
Total		\$ 32.72	\$ 150.50	\$ 117.78

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 theft, loss, or misuse of Village Funds.

We recommend the Village implement procedures to ensure payments are made in the amount approved by the Board.

* * * * *

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 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