



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 22, 2024

Travis Due, Chairperson
Village of Cordova
PO Box 42
Cordova, NE 68330

Dear Chairperson Due:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Cordova (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. 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 4, 2023, and noted that the claims listed therein lacked descriptions of their respective purposes. The following is an example of the approved claims listing provided by the Village for April 4, 2023:

Margie Johnson, Clerk/Treasurer	\$650.00 (wage)
Kathy Stych, Custodian	150.00 (wage)
Dylan Wiemer	175.00 (wage)
Norris Public Power	1071.97
City of Friend	774.55 (water)
NE Public Health	15.00 (March water sample)
Farmers' Cooperative	553.50 (propane)
Burton Enterprises	46.00 (trash)
EMS Insurance – North Pointe	1588.55
Kathy Stych	24.98 (trash liners cb)
One Call Concepts	9.14 (1 st quarter)
NE Dept of Revenue	28.71 (sales tx)
Tammy Sladek	150.00 (wage)
Andrea Classen	150.00 (wage)
Jake Zimmer	150.00 (wage)
Lars Larsen	150.00 (wage)
Travis Due	195.00 (wage)

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 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 of each claim allowed is included in both the Board’s meeting minutes and the “official proceedings” required to be published afterwards.

2. Payment of Unapproved Claims

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified eight checks, totaling \$39,636.19, 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 #
JEO	4/4/23	\$ 28,703.99	5150
Cordova Locker	4/4/23	118.20	5152
Stutzman Digging & Excavating	4/17/23	1,762.00	5156
NMPP Energy	4/17/23	292.50	5158
Kathy Stych	4/18/23	50.00	5159
Ken Elker	4/28/23	70.00	5160
JEO	4/28/23	543.50	5161
Stutzman Digging & Excavating	4/11/23	8,096.00	5162
Total		\$ 39,636.19	

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.

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 five Village checks, totaling \$4,017.28, 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
NE Department of Revenue	\$ 28.71	4/2/23	3/15/23	18
EMC Insurance	1,588.55	4/2/23	3/7/23	26
Farmer’s Cooperative	553.50	4/2/23	3/7/23	26
City of Friend	774.55	4/2/23	3/7/23	26
Norris Public Power	1,071.97	4/2/23	3/7/23	26
Total	\$ 4,017.28			

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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.

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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 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