



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 29, 2025

Chris Ibsen, Chairperson  
Village of Roca  
PO Box 69  
Roca, NE 68430-0069

Dear Chairperson Ibsen:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Roca (Village) for the fiscal year ending 2024. **That request has been approved.**

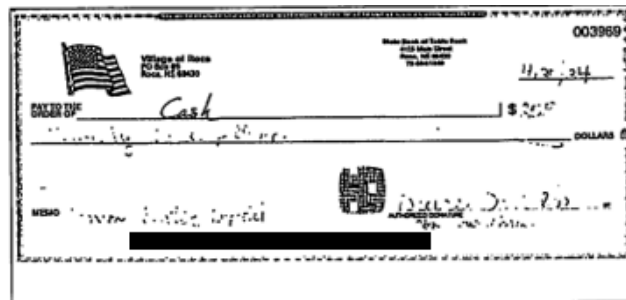
While performing, pursuant to Neb. Rev. Stat. § 84-304 (Reissue 2024), the preliminary examination necessary to determine whether the audit waiver should be allowed or further audit work would be required, the APA noted certain internal control or compliance matters, or other operational issues, within the Village.

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

## Comments and Recommendations

### 1. Check Written to Cash

During our review of bank statements for the Village, the APA noted one check, totaling \$25.00, which was written out to "Cash," as shown below. Per the Village Clerk, the check was to reimburse an individual who overpaid the rental fee for the community center; however, it is unclear why the check was not made payable to the individual.



04/22/2024 3969 \$25.00

Good internal control and sound business practices require policies and procedures to ensure checks made payable to "cash" are avoided or limited. Without such procedures, there is an increased risk for loss and/or misuse of Village funds.

We recommend the Village implement policies and procedures to limit the number of checks written to “cash,” and if determined necessary, payments to “cash” are authorized by the Board and adequately reviewed, monitored, and supported with adequate documentation on file.

**2. Lack of Claim Purpose**

During our comparison of the Village’s bank account details to claims approved by the Board, the APA reviewed meeting minutes dated April 8, 2024, 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 8, 2024:

<b>APPROVAL OF TREASURER’S REPORT, RECEIPTS &amp; DISBURSEMENTS</b>			
Hemenway moved, seconded by Anderson to approve the treasurer’s report and disbursements as follows:			
Aqua Systems	96.00	LARM	50.55
BMG Accountants	150.00	LRW	1416.00
Capital City Refuse	58.99	Municipal Supply	339.66
Cary’s Xtrem Clean	250.00	NE Environ Lab	15.00
Catlett Surveying	800.00	NPPD	600.00
Dept of Revenue	588.70	One Call	6.40
Farmers Coop	38.72	Pavers	17939.00
Gana Trucking	3438.62	Payroll	2711.95
Gana Trucking	283.35	Revolution raps	274.29
Hickman True Value	92.66	Small Engine Spec	206.03
Hoffschneider Law	500.00	Bank of Table Rock	10.00
Internal Revenue	633.82	Verizon	98.42
Intuit QuickBooks	27.50	Voice News	100.00
Kinetic	191.43		
Voting aye: Hemenway, Goering, Anderson, Ossowski, Ibsen. Motion carried.			

Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) of the Open Meetings Act (Act), which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2024), 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 20, 2024, which can be found on the APA’s website. However, this issue does not appear to have been 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.

**3. 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 payments, totaling \$67,485.82, 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 #
ABC Termite Pest Control	4/11/24	\$ 69.55	EFT
Lincoln Winwater	4/11/24	220.27	EFT
Capital City Refuse	4/18/24	36.00	EFT
Cash	4/22/24	25.00	3969
NE Department of Revenue	4/8/24	940.00	EFT
Bank of Oklahoma	4/15/24	66,195.00	EFT
<b>Total</b>		<b>\$ 67,485.82</b>	

Neb. Rev. Stat. § 17-614(1)(a) (Cum. Supp. 2024) 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 20, 2024, which can be found on the APA’s website. However, this issue does not appear to have been 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 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 one Village check, totaling \$206.03, was issued before the underlying claim was approved by the Board. The table below provides a summary of the premature payment:

Name/Vendor	Amount	Approval Date	Check Date	Days Paid Before Approval
Small Engine Specialists	\$ 206.03	4/8/24	3/29/24	10

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(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.

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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.

**5. 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 four checks in excess of the amount approved by the Board. The following table summarizes the overpayment:

Name	Claim Date	Approved Amount	Amount Paid	Overpayment
Farmers Coop	4/8/24	\$ 38.72	\$ 60.69	\$ 21.97
Intuit QuickBooks	4/8/24	27.50	60.00	32.50
Norris Public Power District	4/8/24	600.00	630.78	30.78
Voice News	4/8/24	100.00	144.26	44.26
<b>Total</b>		<b>\$ 766.22</b>	<b>\$ 895.73</b>	<b>\$ 129.51</b>

Good internal control requires procedures to ensure that all claims are made in the amounts 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 amounts approved by the Board.

**6. Negative Fund Balance**

On Exhibit A of the Village’s audit waiver request form, the APA noted that the Street Fund had a deficit balance of \$210,124, as of September 30, 2024.

Good internal control and sound accounting practices require procedures to ensure that Village fund balances are sufficient to cover fully all disbursements and transfers approved by the Board. Those same procedures should ensure also that the Board is apprised regularly of each Village fund balance and, therefore, placed in a position to take necessary action to resolve any deficits therein.

Without such procedures, there is an increased risk of not only insufficient Village fund balances but also the resultant inability to cover fully all disbursements and transfers approved by the Board.

We recommend the Village Board implement procedures to ensure the Board is apprised regularly of each Village fund balance and, therefore, placed in a position to take necessary action to resolve any deficits therein.

**7. Job and Wage Publication**

The APA noted that the Village failed to publish its annual job and wage publication between July 15, 2024, and August 15, 2024, as required by State statute. However, the publication was done on November 21, 2024.

Neb. Rev. Stat. § 19-1102 (Reissue 2022) states, in relevant part, the following:

*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.*

Good internal control requires procedures to ensure that the Village’s annual job and wage publication is published between July 15 and August 15 annually, as required by law.

Without such procedures, there is an increased risk of not only statutory noncompliance but also lack of transparency and loss or misuse of funds.

We recommend the Board implement procedures to ensure the Village’s annual job and wage publication is published between July 15 and August 15 annually, as required by law.

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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,



Mark Avery, CPA  
Assistant Deputy Auditor