



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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March 7, 2025

Marilyn Patsch, Chairperson
Village of Garland
PO Box 105
Garland, NE 68360

Dear Chairperson Patsch:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Garland (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. Lack of Claims Listing

The APA obtained a copy of the April 2, 2024, and December 3, 2024, meeting minutes for the Board of Trustees (Board) of the Village. Those minutes document the Board's approval of Village expenditures; however, a list of the expenditures approved by the Board was not included or attached. Per the Village Clerk, the Village does not have a claims listing for these meetings.

As a public body, the Board is subject to the provisions of the Open Meetings Act, which is set out at Neb. Rev. Stat. § 84-1407 (Reissue 2024). Per Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) public bodies, including Village Boards, are required to "keep minutes of all meetings," showing, among other things, "the substance of all matters discussed."

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.

Furthermore, a good internal control plan and sound business practices require procedures to ensure that the Board approves all expenditures and business transactions of the Village prior to payment. Those same procedures should ensure also that the Board documents such approval in its meeting minutes, specifying the name of each payee, the exact amount of any disbursement, and the specific purpose of the payment, as required by State law.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public funds.

We recommend the implementation of procedures to ensure the Board approves all expenditures of Village funds prior to payment, and such approval is documented adequately in the Board’s meeting minutes.

2. Lack of Purchasing Card Policy

During review of the bank statements obtained from the Village’s audit waiver request, the APA noted that the Village utilized two credit cards to make several transactions, totaling \$7,018.82, throughout fiscal year 2024. Upon further inquiry with the Village, the APA was informed that the Village utilizes the credit cards for smaller general expenses, such as office supplies.

The Village lacked a written, formal purchasing card policy that not only specified allowable purchases and authorized users but also outlined procedures for safeguarding Village assets when using a municipal credit card.

Neb. Rev. Stat § 13-610 (Reissue 2022) provides, in relevant part, the following requirements regarding a purchasing card program:

(1) A political subdivision, through its governing body, may create its own purchasing card program. The governing body shall determine the type of purchasing card or cards utilized in the purchasing card program and shall approve or disapprove those persons who will be assigned a purchasing card.

* * * *

(4) An itemized receipt for purposes of tracking expenditures shall accompany all purchasing card purchases. In the event that a receipt does not accompany such a purchase, purchasing card privileges shall be temporarily or permanently suspended in accordance with rules and regulations adopted and promulgated by the political subdivision.

* * * *

(6) No officer or employee of a political subdivision shall use a political subdivision purchasing card for any unauthorized use as determined by the governing body.

(Emphasis added.) Ensuring that Village purchasing cards are used only for authorized purposes, or the privilege of their use is properly suspended, as required by law, is difficult, if not impossible, without formal municipal guidelines or, as referenced in statute, “rules and regulations adopted and promulgated by the political subdivision” to establish parameters for such legitimate use.

Good internal control requires written guidelines for the proper use of the Village’s purchasing cards, including formal designation of both the authorized users and the allowable uses thereof. Without such procedures, there is an increased risk for not only loss, theft, or misuse of Village funds but also statutory noncompliance.

We recommend the Village implement adequate controls over the Village’s purchasing card, including an approved card policy that outlines procedures for the allowable use of the Village card and authorized users.

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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