



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

March 30, 2023

Patrick Anderson, Chairperson
Village of Meadow Grove
P.O. Box 258
Meadow Grove, NE 68752

Dear Chairperson Anderson:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Meadow Grove (Village) for the fiscal year ending 2022. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Cum. Supp. 2022), 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. 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 checks, totaling \$4,220.58, 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 #
Pollard Pumping Inc	07/06/22	\$530.00	12940
Bomgaars	07/06/22	\$102.14	12928
Marti Horrocks	07/06/22	\$112.87	12927
Telebeep Wireless	07/06/22	\$256.68	12941
USPS	07/12/22	\$38.50	ACH
American Legion	07/12/22	\$45.95	ACH
SP Freshwater Systems	07/12/22	\$202.01	ACH
Dollar General	07/12/22	\$8.97	ACH
NE Public Health Environmental Lab	07/13/22	\$34.00	12954
Madison County Sheriff	07/14/22	\$241.48	12952
Meadow Grove FCU	07/14/22	\$500.00	12926
Walmart	07/14/22	\$82.85	ACH
NE Dept of Economic Development	07/14/22	\$220.42	1089
Garland Goracka	07/18/22	\$133.97	1547

Quick Med Claims	07/20/22	\$44.67	ACH
NE Dept of Revenue	07/22/22	\$340.17	ACH
Menards	07/22/22	\$49.99	12961
Bee Quiltin, LLC	07/25/22	\$27.81	ACH
Walmart	07/25/22	\$32.89	ACH
Unemployment Tax	07/28/22	\$39.51	ACH
The Literary Guild	07/28/22	\$23.50	4005
The Literary Guild	07/28/22	\$28.86	4006
Woman's Day	07/28/22	\$19.99	4007
Nebraska Library Commission	07/28/22	\$500.00	4004
NE Dept of Revenue	07/29/22	\$489.84	ACH
The Literary Guild	08/01/22	\$29.94	4008
The Literary Guild	08/01/22	\$55.57	4009
Popular Woodworking	08/01/22	\$18.00	4010
D. R. Haskins	08/01/22	\$10.00	4011
Total		\$4,220.58	

Neb. Rev. Stat. § 17-614(1)(a) (Reissue 2022) 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 approved 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 approved by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

2. 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 the following checks, totaling \$631.95, 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
Intuit	\$14.98	07/12/22	06/08/22	34
Hobby Lobby	\$115.75	07/12/22	06/17/22	25
Target	\$163.11	07/12/22	06/21/22	21
NE Dept of Revenue	\$338.11	07/12/22	06/22/22	20
Total	\$631.95			

Neb. Rev. Stat. § 17-614(1)(a) (Reissue 2022) 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 approved 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 approved by the Board prior to payment and are adequately documented in the meeting minutes of the month in which they are approved.

3. **Payments 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 payments, totaling \$5.80, were paid in excess of the amount approved by the Board.

The following table summarizes this overpayment:

Name	Claim Date	Approved Amount	Amount Paid	Overpayment
USPS	7/12/2022	\$116.00	\$120.00	\$4.00
Amazon	7/12/2022	\$62.57	\$64.37	\$1.80
Total Overpayment				\$5.80

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 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,



Mark Avery, CPA
Assistant Deputy Auditor