



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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Jim Reinsch, Chairperson  
Chelsea Township Fillmore County  
1802 Road P  
Geneva, NE 68361

Dear Chairperson Reinsch:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Chelsea Township Fillmore County (Township) for the fiscal year ending 2021. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (2021 Neb. Laws, LB 528, § 51), the preliminary examination necessary to determine whether further audit work would be required or the audit waiver should be allowed, the APA noted certain internal control or compliance matters, or other operational issues, within the Township.

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

## Comments and Recommendations

### 1. Payment of Claims Prior to Board Approval

During our comparison of the Township's bank account details to claims approved by the Board, the APA noted that the following checks, totaling \$2,308.50, were issued before the underlying claims were approved by the Board.

Approval Date	Name/Vendor	Amount	Check #	Check Date	Days Paid Before Approval
3/16/2021	Geneva Library	\$ 150.00	1832	10/19/2020	148
3/16/2021	Nation Wide	\$ 100.00	1833	12/11/2020	95
3/16/2021	Manning & Associates	\$ 542.50	1834	3/1/2021	15
3/16/2021	Jones Group Insurance	\$ 1,516.00	1835	3/4/2021	12
	<b>Total</b>	<b>\$ 2,308.50</b>			

The Township Board is required to approve claims against the Township as set out in Neb. Rev. Stat. § 23-255 (Reissue 2012), which states the following, in relevant part:

*All claims and charges against the town, duly audited and allowed by the town board, shall be paid by order so drawn.*

(Emphasis added.) Properly discharging the above statutory duties necessarily entails the Board's approval of all expenditures of Township funds prior to the actual disbursement.

Furthermore, good internal control requires procedures to ensure that all claims are approved by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

Without such procedures, there is an increased risk for the loss or misuse of Township funds.

