



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

November 10, 2021

Jeff Fouts, Chairperson
Ash Grove Township Franklin County
1774 24 Road
Hildreth, NE 68947

Dear Chairperson Fouts:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Ash Grove Township Franklin 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.

Comment and Recommendation

Payment of Claims Prior to Board Approval

The APA obtained a copy of a set of minutes for July 13, 2021, that documents the Board's approval of bills for fiscal year ended 2021 – meaning that any Township expenditures for the fiscal year ended 2021 were not approved by the Board prior to payment. A copy of this approval is shown below.

MINUTES

A meeting of the Township Board of Ash Grove Township was held at Cecil Schriener's shop, 1603 24 Road, Hildreth, Nebraska at 9:30 a.m. on the 13th day of July, 2021. Jeff Fouts and Rydell Lienemann were present. Absent was Cecil Schriener.

The Chairman called the meeting to order. The Chairman noted that a current copy of the Open Meetings Act information was placed on the table for all to view.

It was moved by Fouts and seconded by Lienemann that the Board determines that advance notice of this meeting was given by posting notice in three public places within the Township not less than five days prior to the meeting. Upon vote taken all voted "aye" and none voted "nay."

Minutes of the previous meeting were read and approved. The Board approved the attached list of claims paid in fiscal year 2020-2021 (July 1, 2020 to June 30, 2021).

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.

We recommend the Board implement procedures to ensure 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.

* * * * *

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 Township'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 Township.

This communication is intended solely for the information and use of the Township 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 horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor