



# NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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December 29, 2021

Scott Minnick, Chairperson  
Washington Township Franklin County  
615 40 Road  
Riverton, NE 68972

Dear Chairperson Minnick:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Washington 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.

## Comments and Recommendations

### **1. 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 Washington Township was held at the Riverton Fire Hall, Riverton, Nebraska at 8:30 a.m. on the 13th day of July, 2021. Caroline Jackson and Richard Bush were present. Absent was Scott Minnick.

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 Jackson and seconded by Bush 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 present 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.

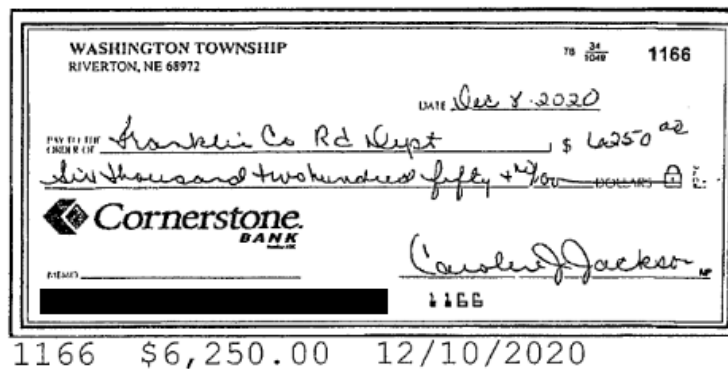
Furthermore, good internal control requires procedures to ensure that all claims are approved by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

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.

## 2. Lack of Dual Signatures

The APA obtained the monthly statements for the Township's bank accounts from its fiscal year 2021 audit waiver request. From those statements, the APA noted that all Township checks written during the examination period contained only one signature. An example of such checks is shown below.



Nebraska law requires both the Clerk and the Chairperson of the Township Board to sign all checks approved by the Board. In particular, Neb. Rev. Stat. § 23-255 (Reissue 2012) states, in relevant part, the following:

*The town clerk shall draw and sign all orders upon the town treasurer for all money to be disbursed by the township, and all warrants upon the county treasurer for money raised for town purposes, or apportioned to the town by the county or state, and present the same to the chairman of the board, to be countersigned by him, and no warrant shall be paid until so countersigned.*

(Emphasis added.) In addition, good internal controls and sound accounting practices require procedures to ensure that Township checks contain the statutorily required endorsements.

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 Board implement procedures to require dual signatures, from both the Clerk and the Chairperson, on all Township checks, as required by law.

\* \* \* \* \*

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, sweeping underline.

Mark Avery, CPA  
Assistant Deputy Auditor