



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 18, 2021

Josh Doerr, Chairperson
Central Township Knox County
87931 537 Avenue
Bloomfield, NE 68718

Dear Chairperson Doerr:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Central Township Knox 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

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 12 of 14 Township checks written during the examination period contained only one signature. The remaining two checks did not have a signature. Examples of such checks are shown below.

CENTRAL TOWNSHIP
BLOOMFIELD, NE 68718 529
DATE 11-19-2020 76-206/1041
PAY TO THE ORDER OF EMC Insurance \$ 4,225.00
Four thousand two hundred twenty five and 00/100 DOLLARS
FARMERS & MERCHANTS STATE BANK
PO BOX 89
BLOOMFIELD, NE 68718
MID 5220891/B-8080027 James Doerr

Check 529, Amount \$4,225.00 On 11/25/2020

CENTRAL TOWNSHIP
BLOOMFIELD, NE 68718 522
DATE 8-27-2020 76-206/1041
PAY TO THE ORDER OF Pitzer Digital, LLC \$ 88.00
eighty eight and 00/100
FARMERS & MERCHANTS STATE BANK
PO BOX 89
BLOOMFIELD, NE 68718
MID Invoice 21291 James Doerr

Check 522, Amount \$88.00 On 9/9/2020

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.

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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 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,



Mark Avery, CPA
Assistant Deputy Auditor