



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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December 28, 2022

Ron Coleman, Chairperson
Lillian Township Custer County
81084 Round Valley Road
Sargent, NE 68874

Dear Chairperson Coleman:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Lillian Township Custer County (Township) 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 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 Oversight for Aid Payments

During review of the Township's bank statements obtained as part of the audit waiver request, the APA noted that the Township made four aid payments to local cemeteries during the fiscal year 2022. The recipients of this aid and the amounts they received are detailed below:

Aid Recipient	Total Received
Gates Cemetery	\$ 500
Lillian Cemetery	\$ 500
Round Valley Cemetery	\$ 500
Somerford Cemetery	\$ 500
Total	\$ 2,000

The APA was informed that the Township Board does not follow up with these entities to ensure that these aid payments are being used as anticipated and the expenditures were for an allowable government purpose.

Good internal controls require procedures to ensure that aid payments are used for an allowable governmental purpose. Without such procedures, there is an increased risk for the loss or misuse of Township funds.

We recommend the Township Board implement procedures to ensure that aid payments are used for an allowable governmental purpose.

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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,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor