



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Bob Beelaert, Chairperson
Verdigris Township Holt County
P.O. Box 124
Page, NE 68766

Dear Chairperson Beelaert:

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

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 \$1,099, were issued before the underlying claims were approved by the Board.

Approval Date	Name/Vendor	Amount	Check #	Check Date	Days Paid Before Approval
6/30/2022	NCPPD	\$ 34	EFT	6/15/2022	15
6/30/2022	Farmer's Pride	\$ 1,065	EFT	6/15/2022	15
	Total	\$ 1,099			

The Township Board is required to approve claims against the Township as set out in Neb. Rev. Stat. § 23-255 (Reissue 2022), 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 against the Township 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 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 makes an annual aid payment of \$2,500 to the Page Cemetery Association. According to the Township, this money is used to maintain the road that leads to the Page Cemetery.

The APA was informed that the Township Board does not follow up with this entity 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,



Mark Avery, CPA
Assistant Deputy Auditor