



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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

October 27, 2023

Dudley Persson, Chairperson
Garfield Township Cuming County
1963 H Road
West Point, NE 68788

Dear Chairperson Persson:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Garfield Township Cuming County (Township) for the fiscal year ending 2023. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2023), 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

Board Member Compensation

During review of the fiscal year 2023 audit waiver request for the Township, the APA noted that compensation, totaling \$19,628, was paid to the Township Board Chairperson, Dudley Persson, during fiscal year 2023. Chairperson Persson also serves as the Township maintainer operator. His pay rate was approved by the Township Board on January 16, 2020; however, this pay rate was not approved by voters at the annual meeting of the Township.

Neb. Rev. Stat. § 23-258 (Reissue 2022) includes “[t]he compensation of town officers for services rendered their respective towns” among the general expenditures authorized as “town charges.”

Additionally, Neb. Rev. Stat. § 23-224 (Reissue 2022) provides the following:

The electors present at the annual town meeting shall have power:

* * * *

(8) To direct the raising of money by taxation, subject to approval by the county board . . . (e) for the compensation of town officers at the rate allowed by law and, when no rate is fixed for such amount, as the electors may direct[.]

Good internal control requires procedures to ensure that any compensation paid to Board members is adequately supported, and the rate paid is approved by the electors at the annual town meeting, as required by State statute, and adequately documented in the minutes of the meeting during which the rate was approved.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of Township funds.

A similar issue was identified by the APA in a prior review and was disclosed to the Township in the APA's letter dated December 27, 2022, which can be found on the APA's website. However, this issue does not appear to have been corrected after the APA's notification.

We recommend the Board implement procedures to ensure any compensation paid to Board members is adequately supported, and the rate paid is approved by the electors at the annual town meeting, as required by State statute, and adequately documented in the minutes of the meeting during which the rate was approved.

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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, sweeping horizontal line extending from the end of the name.

Mark Avery, CPA
Assistant Deputy Auditor