



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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November 16, 2023

Cory Peterson, Chairperson
Triumph Township Custer County
79739 Arnold River Road
Callaway, NE 68825

Dear Chairperson Peterson:

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

Comments and Recommendations

1. Approval of Payments Outside of Public Meeting

The APA requested meeting minutes for the Township Board that reflect the Board's approval of Township expenditures. According to the Township, the Board only meets occasionally, and Township expenditures are often approved via phone call, text message, or informal visit. The APA questions this practice as the approval of claims is being conducted outside of a public meeting.

As a public body, the Board is subject to the provisions of the Open Meetings Act, which is set out at Neb. Rev. Stat. § 84-1407 (Reissue 2014) et seq. Neb. Rev. Stat. § 84-1409(2) (Cum. Supp. 2022) defines a meeting, in relevant part, as follows:

Meeting means all regular, special, or called meetings, formal or informal, of any public body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the public body [.]

(Emphasis added.) Neb. Rev. Stat. § 84-1411(1)(a) (Cum. Supp. 2022) states the following:

Each public body shall give reasonable advance publicized notice of the time and place of each meeting as provided in this subsection. Such notice shall be transmitted to all members of the public body and to the public.

Additionally, Neb. Rev. Stat. § 84-1413 (Cum. Supp. 2022) states, in relevant part, the following:

(1) Each public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.

(2) Any action taken on any question or motion duly moved and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting. The requirements of a roll call or viva voce vote shall be satisfied by a public body which utilizes an electronic voting device which allows the yeas and nays of each member of such public body to be readily seen by the public.

Furthermore, good internal controls require procedures to ensure that all Township business is conducted at public meetings, as required by State law.

Without such procedures, there is an increased risk of the loss or misuse of public funds as well as a possible violation of the Open Meetings Act.

We recommend the Township Board implement procedures to ensure that all Township business is conducted at public meetings, as required by State law.

2. Lack of Agreements

During review of the September 25, 2023, meeting minutes for the Township Board, the APA noted that the following motion was approved:

5 Motion by Cory Peterson to pay Nigel Sprouse Library \$1750.00 for rent for the township meetings and pay The Seven Valley Historical Society \$300. For cemetery research. 2nd by Chris Pandorf. All voted yes no Nays. Motion passed.

According to the Township Clerk, the Township does not have any formal agreements with the Nigel Sprouse Library or the Seven Valley Historical Society to support these payments. Additionally, the Township was unable to provide documentation to support if these payments of public funds were used for allowable government purposes.

Good internal controls require procedures to ensure that formal agreements are in place between the Township and entities that it provides aid to. Such agreements should also ensure that the aid payments are used for allowable government expenditures.

Without such procedures, there is an increased risk of the 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 28, 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 that the Township Board implement procedures to ensure that formal agreements are in place between the Township and entities that it provides aid to. Such agreements should also ensure that the aid payments are used for allowable government expenditures.

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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 stroke extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor