



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

December 12, 2023

John Von Seggern, Jr., Chairperson
Hooper Township Dodge County
P.O. Box 236
Hooper, NE 68031

Dear Chairperson Von Seggern, Jr.:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Hooper Township Dodge 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. Board Member Compensation

During review of the fiscal year 2023 audit waiver request for the Township, the APA noted that compensation, totaling \$31,937, was paid to the Township Board (Board) members. This compensation was for work related to a presidentially declared disaster. Details of those payments are provided in the table below:

| Check Date | Board Member | Amount |
|--------------|-----------------------|------------------|
| 11/10/2022 | Larry Klahn | \$ 12,966 |
| 11/10/2022 | Garry Willnerd | 11,049 |
| 11/10/2022 | John Von Seggern, Jr. | 7,922 |
| Total | | \$ 31,937 |

The Board members approved their own pay rates on April 10, 2019; however, those pay rates were not approved by voters at the annual meeting of the Township.

Among the various “town charges” authorized by Neb. Rev. Stat. § 23-258 (Reissue 2022) is the “compensation of town officers for services rendered their respective towns.”

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 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.

We recommend the Board implement procedures to ensure any compensation paid to Board members 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.

2. Possible Duplicate Reimbursement

During our review of documentation related to the Board member compensation discussed above in **Comment and Recommendation Number 1** (“Board Member Compensation”), the APA noted that the Township received a reimbursement of \$63,268 from the Federal Emergency Management Agency (FEMA) for administrative expenses. However, the Township submitted documentation to support only \$31,937 of the administrative expenses incurred. The remaining amount of \$31,331 appears to include amounts for duplicate pay periods. For a breakdown of the FEMA reimbursement, see **Exhibit A** herein.

When seeking the FEMA reimbursement, the Township submitted the individual timesheets for each Board member, as well as a sheet summarizing all the timesheets. Per discussion with representatives of the Nebraska Emergency Management Agency (NEMA), the summary sheets and the timesheets were both included in the reimbursement calculation, resulting in a possible duplicate reimbursement to the Township.

Although the Township was reimbursed an additional amount, the Board members were paid only for hours actually worked.

Good internal control procedures require a detailed review of Federal reimbursements to ensure that the correct reimbursement amount is received. Without such procedures, there is an increased risk for the loss or misuse of Federal grant monies.

We recommend the Township implement procedures for a detailed review of Federal reimbursements to ensure that the correct reimbursement amount is received. We recommend further that the Township work with NEMA to determine the proper steps for addressing the \$31,331 overpayment. Additionally, because this comment addresses a Federal disaster reimbursement issue, we are forwarding the information herein to NEMA for further review.

3. 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 \$93, were issued before the underlying claims were approved by the Board.

| Approval Date | Name/Vendor | Amount | Check # | Check Date | Days Paid Before Approval |
|---------------|--------------------|--------------|---------|------------|---------------------------|
| 4/10/2023 | Black Hills Energy | \$ 54 | EFT | 4/6/2023 | 4 |
| 4/10/2023 | OPPD | 39 | EFT | 4/4/2023 | 6 |
| Total | | \$ 93 | | | |

Neb. Rev. Stat. § 23-255 (Reissue 2022) requires the Board to approve claims against the Township, as follows:

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 duty 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.

* * * * *

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

HOOPER TOWNSHIP DODGE COUNTY

Exhibit A

| Board Member | Date | Description | Hours/ Miles | Rate | Amount |
|--|-------------------------|-------------|-----------------|-------|---------------------|
| Larry Klahn | 4/1/2019 - 10/24/2019 | Labor | 205 | 30.00 | \$ 6,150.00 |
| Larry Klahn | 1/1/2020 - 3/31/2020 | Labor | 4 | 30.00 | 120.00 |
| Larry Klahn | 4/1/2020 - 6/30/2020 | Labor | 7 | 30.00 | 210.00 |
| Larry Klahn | 9/1/2020 - 9/30/2020 | Labor | 26 | 30.00 | 780.00 |
| Larry Klahn | 10/1/2020 - 10/31/2020 | Labor | 143 | 30.00 | 4,290.00 |
| Larry Klahn | 8/1/2021 - 8/31/2021 | Labor | 12 | 30.00 | 360.00 |
| Larry Klahn | 4/1/2019 - 10/24/2019 | Mileage | 930 | 0.55 | 511.50 |
| Larry Klahn | 9/1/2020 - 9/30/2020 | Mileage | 60 | 0.55 | 33.00 |
| Larry Klahn | 10/1/2020 - 10/31/2020 | Mileage | 880 | 0.55 | 484.00 |
| Larry Klahn | 8/1/2021 - 8/31/2021 | Mileage | 50 | 0.55 | 27.50 |
| Total Paid to Larry Klahn | | | | | \$ 12,966.00 |
| Larry Klahn | 4/1/2019 - 4/30/2019 | Labor | 68 | 30.00 | \$ 2,040.00 |
| Larry Klahn | 5/1/2019 - 5/31/2019 | Labor | 4 | 30.00 | 120.00 |
| Larry Klahn | 7/1/2019 - 7/31/2019 | Labor | 8 | 30.00 | 240.00 |
| Larry Klahn | 8/1/2019 - 8/31/2019 | Labor | 24 | 30.00 | 720.00 |
| Larry Klahn | 9/1/2019 - 9/30/2019 | Labor | 50.5 | 30.00 | 1,515.00 |
| Larry Klahn | 10/1/2019 - 10/31/2019 | Labor | 50.5 | 30.00 | 1,515.00 |
| Larry Klahn | 1/8/2020 - 10/13/2020 | Labor | 74 | 30.00 | 2,220.00 |
| Larry Klahn | 10/15/2020 - 8/2/2021 | Labor | 117 | 30.00 | 3,510.00 |
| Larry Klahn | 4/1/2019 - 4/30/2019 | Mileage | 240 | 0.55 | 132.00 |
| Larry Klahn | 7/1/2019 - 7/31/2019 | Mileage | 50 | 0.55 | 27.50 |
| Larry Klahn | 9/1/2019 - 9/30/2019 | Mileage | 320 | 0.55 | 176.00 |
| Larry Klahn | 10/1/2019 - 10/31/2019 | Mileage | 320 | 0.55 | 176.00 |
| Larry Klahn | 1/8/2020 - 10/13/2020 | Mileage | 140 | 0.55 | 77.00 |
| Larry Klahn | 10/15/2020 - 8/2/2021 | Mileage | 290 | 0.55 | 159.50 |
| Total of Possible Duplicated Payments | | | | | \$ 12,628.00 |
| Total Payments for Larry Klahn | | | | | \$ 25,594.00 |
| Garry Willnerd | 4/1/2019 - 5/31/2019 | Labor | 88 | 30.00 | \$ 2,640.00 |
| Garry Willnerd | 6/1/2019 - 8/31/2019 | Labor | 48 | 30.00 | 1,440.00 |
| Garry Willnerd | 1/1/2020 - 3/31/2020 | Labor | 4 | 30.00 | 120.00 |
| Garry Willnerd | 4/1/2020 - 4/30/2020 | Labor | 127 | 30.00 | 3,810.00 |
| Garry Willnerd | 5/1/2020 - 6/30/2020 | Labor | 4 | 30.00 | 120.00 |
| Garry Willnerd | 9/1/2020 - 10/31/2020 | Labor | 30 | 30.00 | 900.00 |
| Garry Willnerd | 10/18/2020 - 10/30/2020 | Labor | 11 | 30.00 | 330.00 |
| Garry Willnerd | 11/1/2020 - 11/30/2020 | Labor | 30 | 30.00 | 900.00 |
| Garry Willnerd | 8/1/2021 - 8/31/2021 | Labor | 12 | 30.00 | 360.00 |
| Garry Willnerd | 4/1/2019 - 5/31/2019 | Mileage | 160 | 0.55 | 88.00 |
| Garry Willnerd | 6/1/2019 - 8/31/2019 | Mileage | 160 | 0.55 | 88.00 |
| Garry Willnerd | 4/1/2020 - 4/30/2020 | Mileage | 300 | 0.55 | 165.00 |
| Garry Willnerd | 10/18/2020 - 10/30/2020 | Mileage | 100 | 0.55 | 55.00 |
| Garry Willnerd | 11/1/2020 - 11/30/2020 | Mileage | 60 | 0.55 | 33.00 |
| Total Paid to Garry Willnerd | | | | | \$ 11,049.00 |
| Garry Willnerd | 4/1/2019 - 4/8/2019 | Labor | 58 | 30.00 | \$ 1,740.00 |
| Garry Willnerd | 4/21/2019 - 5/6/2019 | Labor | 10 | 30.00 | 300.00 |
| Garry Willnerd | 5/8/2019 | Labor | 2 | 30.00 | 60.00 |
| Garry Willnerd | 5/22/2019 - 6/14/2019 | Labor | 32 | 30.00 | 960.00 |
| Garry Willnerd | 7/16/2019 | Labor | 8 | 30.00 | 240.00 |
| Garry Willnerd | 8/9/2019 - 8/16/2019 | Labor | 24 | 30.00 | 720.00 |

HOOPER TOWNSHIP DODGE COUNTY

Exhibit A

| Board Member | Date | Description | Hours/ Miles | Rate | Amount |
|---|-------------------------|-------------|-----------------|-------|---------------------|
| Garry Willnerd | 1/8/2020 | Labor | 1 | 30.00 | 30.00 |
| Garry Willnerd | 3/11/2020 | Labor | 1 | 30.00 | 30.00 |
| Garry Willnerd | 3/18/2020 | Labor | 1 | 30.00 | 30.00 |
| Garry Willnerd | 4/1/2020 - 4/24/2020 | Labor | 124 | 30.00 | 3,720.00 |
| Garry Willnerd | 4/16/2020 - 4/30/2020 | Labor | 3 | 30.00 | 90.00 |
| Garry Willnerd | 5/11/2020 - 5/14/2020 | Labor | 2 | 30.00 | 60.00 |
| Garry Willnerd | 6/3/2020 - 6/5/2020 | Labor | 2 | 30.00 | 60.00 |
| Garry Willnerd | 9/23/2020 | Labor | 1 | 30.00 | 30.00 |
| Garry Willnerd | 10/8/2020 - 10/14/2020 | Labor | 21 | 30.00 | 630.00 |
| Garry Willnerd | 10/12/2020 - 10/17/2020 | Labor | 8 | 30.00 | 240.00 |
| Garry Willnerd | 10/18/2020 - 10/30/2020 | Labor | 11 | 30.00 | 330.00 |
| Garry Willnerd | 11/5/2020 - 11/15/2020 | Labor | 18 | 30.00 | 540.00 |
| Garry Willnerd | 11/8/2020 - 11/12/2020 | Labor | 12 | 30.00 | 360.00 |
| Garry Willnerd | 8/2/2021 | Labor | 4 | 30.00 | 120.00 |
| Garry Willnerd | 8/3/2021 | Labor | 8 | 30.00 | 240.00 |
| Garry Willnerd | 4/1/2019 - 8/16/2019 | Mileage | 160 | 0.55 | 88.00 |
| Garry Willnerd | 1/8/2020 - 10/14/2020 | Mileage | 360 | 0.55 | 198.00 |
| Garry Willnerd | 1/8/2020 - 9/23/2020 | Mileage | 360 | 0.55 | 198.00 |
| Garry Willnerd | 10/12/2020 - 8/2/2021 | Mileage | 100 | 0.55 | 55.00 |
| Total of Possible Duplicated Payments | | | | | \$ 11,069.00 |
| Total Payments for Garry Willnerd | | | | | \$ 22,118.00 |
| John Von Seggern Jr | 4/1/2019 - 4/30/2019 | Labor | 68 | 30.00 | \$ 2,040.00 |
| John Von Seggern Jr | 5/1/2019 - 5/31/2019 | Labor | 14 | 30.00 | 420.00 |
| John Von Seggern Jr | 7/1/2019 - 8/31/2019 | Labor | 32 | 30.00 | 960.00 |
| John Von Seggern Jr | 1/8/2020 - 4/30/2020 | Labor | 7 | 30.00 | 210.00 |
| John Von Seggern Jr | 5/1/2020 - 6/30/2020 | Labor | 19 | 30.00 | 570.00 |
| John Von Seggern Jr | 8/1/2020 - 9/30/2020 | Labor | 116 | 30.00 | 3,480.00 |
| John Von Seggern Jr | 4/1/2019 - 8/16/2019 | Mileage | 80 | 0.55 | 44.00 |
| John Von Seggern Jr | 5/1/2020 - 6/30/2020 | Mileage | 60 | 0.55 | 33.00 |
| John Von Seggern Jr | 8/1/2020 - 9/30/2020 | Mileage | 300 | 0.55 | 165.00 |
| Total Paid to John Von Seggern, Jr. | | | | | \$ 7,922.00 |
| John Von Seggern Jr | 4/1/2019 - 8/16/2019 | Labor | 112 | 30.00 | \$ 3,360.00 |
| John Von Seggern Jr | 1/8/2020 - 9/23/2020 | Labor | 141 | 30.00 | 4,230.00 |
| John Von Seggern Jr | 5/1/2019 - 5/31/2019 | Mileage | 80 | 0.55 | 44.00 |
| Total of Possible Duplicated Payments | | | | | \$ 7,634.00 |
| Total Payments for John Von Seggern, Jr. | | | | | \$ 15,556.00 |
| Total Paid to Board Members | | | | | \$ 31,937.00 |
| Total of Possible Duplicated Payments | | | | | \$ 31,331.00 |
| Total Received by Township | | | | | \$ 63,268.00 |