



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

November 2, 2023

Joe Kreifels, Chairperson
Nickerson Township Dodge County
2108 County Road O
Fremont, NE 68025

Dear Chairperson Kreifels:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Nickerson 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. Lack of Claims Listing

The APA obtained a copy of the April 12, 2023, meeting minutes for the Township Board. Those minutes document the Board's approval of Township expenditures; however, a list of the expenditures approved by the Board was not included.

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. Per Neb. Rev. Stat. § 84-1413(1) (Cum. Supp. 2022) public bodies, including Township Boards, are required to "keep minutes of all meetings," showing, among other things, "the substance of all matters discussed."

Furthermore, a good internal control plan and sound business practices require procedures to ensure that the Board approves all expenditures and business transactions of the Township prior to payment. Those same procedures should ensure also that the Board documents such approval in its meeting minutes, specifying the name of each payee, the exact amount of any disbursement, and the specific purpose of the payment.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public 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 the implementation of procedures to ensure the Board approves all expenditures of Township funds prior to payment, and such approval is documented adequately in the Board’s meeting minutes.

2. 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 \$11,264, were issued before the underlying claims were approved by the Board.

Approval Date	Name/Vendor	Amount	Check #	Check Date	Days Paid Before Approval
3/6/2023	NMC	\$ 2,477	4961	3/3/2023	3
3/6/2023	Rawhide Chemoil	1,940	4962	3/3/2023	3
4/12/2023*	Joe Kreifels	100	4963	3/6/2023	37
4/12/2023*	Scott Bang	100	4964	3/6/2023	37
4/12/2023*	Denise Richards	100	4965	3/6/2023	37
4/12/2023*	Payroll	1,424	EFT	3/10/2023	33
4/12/2023*	First National Bank Northeast	1,000	EFT	3/20/2023	23
4/12/2023*	OPPD	71	4968	3/21/2023	22
4/12/2023*	Black Hills Energy	375	4969	3/21/2023	22
4/12/2023*	Payroll	1,410	EFT	3/24/2023	19
4/12/2023*	Internal Revenue Service	87	4970	3/30/2023	13
4/12/2023*	Dodge County Highway Dept.	445	4971	4/4/2023	8
4/12/2023*	Payroll	1,383	EFT	4/7/2023	5
4/12/2023*	Nebraska Dept. of Revenue	353	4972	4/10/2023	2
Total		\$ 11,264			

**These claims were most likely approved at the April 12, 2023, meeting; however, this was not clear as there was no claims listing included with the meeting minutes, as noted in Comment and Recommendation #1.*

Neb. Rev. Stat. § 23-255 (Reissue 2022) requires the Township 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.

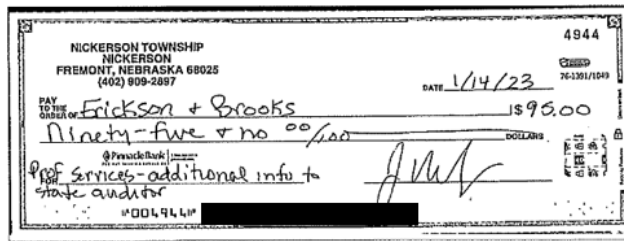
Furthermore, good internal control requires procedures to ensure that all claims are approved by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

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.

3. Lack of Dual Signatures

The APA obtained the monthly statements for the Township’s bank accounts from its fiscal year 2023 audit waiver request. From those statements, the APA noted that four Township checks written during the examination period contained only one signature. An example of such checks is shown below.



01/18/2023 4944 \$95.00

Nebraska law requires both the Clerk and the Chairperson of the Township Board to sign all checks approved by the Board. In particular, Neb. Rev. Stat. § 23-255 (Reissue 2022) states, in relevant part, the following:

The town clerk shall draw and sign all orders upon the town treasurer for all money to be disbursed by the township, and all warrants upon the county treasurer for money raised for town purposes, or apportioned to the town by the county or state, and present the same to the chairman of the board, to be countersigned by him, and no warrant shall be paid until so countersigned.

(Emphasis added.) In addition, good internal controls and sound accounting practices require procedures to ensure that Township checks contain the statutorily required endorsements.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public 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 the Board implement procedures to require dual signatures, from both the Clerk and the Chairperson, on all Township checks, as required by law.


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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