



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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November 16, 2023

John Kramer, Chairperson
Stuart Township Holt County
87979 464th Avenue
Stuart, NE 68780

Dear Chairperson Kramer:

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

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 made several aid payments during fiscal year 2023. The recipients of this aid and the amounts they received are detailed below:

Aid Recipient	Total Received
Stuart Township Library	\$ 12,788
Stuart Township Museum	10,000
Total	\$ 22,788

The APA was informed that these entities submit an annual report of their anticipated expenses as well as financial statements for the previous year to the Township Board for review; however, it appears that the Township Board does not obtain documentation from the entities to ensure that these aid payments were indeed 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.

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 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,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor