



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

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Douglas Steffensmeier, Chairperson
Beemer Township Cuming County
P.O. Box 100
Beemer, NE 68716

Dear Chairperson Steffensmeier:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Beemer Township Cuming County (Township) for the fiscal year ending 2024. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (2024 Neb. Laws, L.B. 1143, § 3), 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. Possible Conflict of Interest

The APA received the Township Board (Board) meeting minutes and the accompanying claims listing for September 6, 2023. From this listing, the APA identified a possible violation of the Nebraska Political Accountability and Disclosure Act (Act) by Board member Douglas Steffensmeier.

Per the Nebraska Secretary of State's website, in addition to being a Board member, Mr. Steffensmeier is the owner of Steffensmeier Insurance Agency, LLC., an insurance agency located in Beemer, Nebraska. According to the above-referenced meeting minutes, Mr. Steffensmeier appears to have failed to abstain from voting on the following claim to Steffensmeier Insurance Agency, LLC., totaling \$7,375, as shown below:

DOUGLAS R. STEFFENSMEIER MADE A MOTION TO PAY BILLS		
DAVID D. STEFFENSMEIER SECONDED - 3 AYES		
CR # 3422	RHE	39.76
3423	TIM MCGEEN	2966.00
3424	R. L. FULLER CPA	525.00
3425	STEFFENSMEIER INS AGENCY	7375.00

Mr. Steffensmeier’s actions give rise to concerns regarding possible violation of the Act, as set out at Neb. Rev. Stat. §§ 49- 1401 to 49-14,142 (Reissue 2021, Cum. Supp. 2022).

According to Neb. Rev. Stat. § 49-1402 (Reissue 2021), the Act serves the purpose of, among other things, ensuring “that public office or employment not be used for private gain other than the compensation provided by law” and preventing situations in which “there exists, or appears to exist, a substantial conflict between the private interests of a public official and his or her duties as such official.”

Neb. Rev. Stat. § 49-14,101.01 (Reissue 2021) of the Act says, in relevant part, the following:

(1) A public official or public employee shall not use or authorize the use of his or her public office or any confidential information received through the holding of a public office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated.

(2) A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.

* * * *

(7) Except as provided in section 23-3113, any person violating this section shall be guilty of a Class III misdemeanor, except that no vote by any member of the Legislature shall subject such member to any criminal sanction under this section.

A Board member would fall within the definition of “public official,” which Neb. Rev. Stat. § 49-1443 (Reissue 2021) provides as follows:

Public official shall mean an official in the executive branch, an official in the legislative branch, or an elected or appointed official in the judicial branch of the state government or a political subdivision thereof; any elected or appointed member of a school board; and an elected or appointed member of a governing body of a state institution of higher education.

(Emphasis added.) According to the Nebraska Supreme Court, moreover, “A township is a political subdivision.” *Steenblock v. Elkhorn Township Bd.*, 245 Neb. 722, 725, 515 N.W.2d 128, 130 (1994). Finally, it should be noted that questions regarding the propriety of official actions taken by the Board members, at least with regard to compliance with the provisions of the Act, may be submitted to the Nebraska Accountability and Disclosure Commission (Commission) for guidance. Neb. Rev. Stat. § 49-14,100 (Reissue 2021) states the following:

Any person who is in doubt as to the propriety of action proposed to be taken by him may apply to the commission for an advisory opinion relating thereto, and the commission shall have authority to render such opinions. When an advisory opinion is issued pursuant to a complete and accurate request, such opinion shall be a complete defense to any charge of violation of sections 49-1493 to 49-14,104 as to any action taken strictly subject to the terms of such opinion.

Good internal control requires procedures to ensure all Township officers adhere to the provisions of the Act. Without such procedures, there is an increased risk for not only loss or misuse of Township funds but also noncompliance with State statute.

We recommend the Board implement procedures to ensure all Township officers adhere to the provisions of the Act. Additionally, whenever any question arises regarding compliance with the Act, we recommend that formal guidance be sought from the Commission, as permitted by § 49-14,100. Finally, because this comment addresses possible violation of the Act, we are forwarding the information herein to the Commission for review.

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 one check, totaling \$72, to Cuming County Public Power District was issued before the underlying claim was approved by the Board. The claim was approved by the Board on June 3, 2024; however, the check was dated May 10, 2024. This was 24 days before the claim was approved.

Nebraska law requires the Board to approve all claims against the Township. In particular, Neb. Rev. Stat. § 23-255 (Reissue 2022) states the following, in relevant part:

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 their 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 prior to payment and are adequately documented in the minutes of the meeting during which they are 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,



Mark Avery, CPA
Assistant Deputy Auditor