



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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November 19, 2024

Kory Ostrand, Chairperson
Elk Creek Township Custer County
46023 Road 774
Pleasanton, NE 68866

Dear Chairperson Ostrand:

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

Comment and Recommendation

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 payments, totaling \$4,046, were issued before the underlying claims were approved by the Board.

Approval Date	Name/Vendor	Amount	Check Number	Check Date	Days Paid Before Approval
4/18/2024	Trotter Service	\$ 888	2697	3/14/2024	35
4/18/2024	Eric Shoemaker	730	2698	3/18/2024	31
4/18/2024	Bentley + Kisker PC	300	2699	3/26/2024	23
4/18/2024	Eric Shoemaker	996	2704	4/5/2024	13
4/18/2024	Encova Ins.	892	2700	4/9/2024	9
4/18/2024	IRS	240	ACH	4/15/2024	3
Total		\$ 4,046			

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