



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Randy Reznicek, Chairperson
Union Township Dodge County
1571 County Road 2
North Bend, NE 68649

Dear Chairperson Reznicek:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Union Township Dodge 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 25 payments, totaling \$25,559, were issued before the underlying claims were approved by the Board. The following table details the total amount paid to each vendor prior to approval by the Board, as well as a range of how many days passed from payment to Board approval:

Approval Date	Name/Vendor	Total Amount Per Vendor	Days Paid Before Approval
3/27/2024	Verizon	\$ 152	1 to 91
3/27/2024	Bank Fees	6	27 to 89
3/27/2024	Payroll	11,119	27 to 89
3/27/2024	Safe Deposit Box Rent	18	82
3/27/2024	NMC	3,793	2 to 77
3/27/2024	IRS	3,339	12 to 71
3/27/2024	Hanke Oil	3,851	43 to 64
3/27/2024	State of Nebraska	492	57
3/27/2024	Midwest Service & Sales	2,549	36 to 51
3/27/2024	Do It Best Hardware	119	16 to 44
3/27/2024	Emanuel Custom Welding	121	19
	Total	\$ 25,559	

Nebraska law requires the Board to approve all claims, besides Township Library 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