



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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Charlie Emswiler, Chairperson
Olive Township Butler County
990 38 Road
David City, NE 68632

Dear Chairperson Emswiler:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Olive Township Butler County (Township) for the fiscal year ending 2025. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), 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 Township Board (Board), the APA noted that the following checks, totaling \$5,963, were issued before the underlying claims were approved by the Board.

Approval Date	Name/Vendor	Amount	Check #	Check Date	Days Paid Before Approval
4/2/2025	Bomgaars	\$ 467	3400	3/5/2025	27
4/2/2025	Angle Murphy Campbell	515	3401	3/5/2025	27
4/2/2025	Midwest Service & Sales	1,254	3405	3/5/2025	27
4/2/2025	Payroll	746	ACH	3/7/2025	25
5/7/2025	Akrs Equipment	64	ACH	4/7/2025	29
5/7/2025	Payroll	2,330	ACH	4/7/2025	27
5/7/2025	Surplus Center	579	ACH	4/22/2025	14
5/7/2025	Column Public Notice	4	ACH	4/29/2025	7
5/7/2025	Column Public Notice	4	ACH	4/29/2025	7
Total		\$ 5,963			

Additionally, while reviewing the Township's bank statements, we noted that the Township paid \$17,785 on February 21, 2025, via wire transfer. This amount was for the purchase of a pickup truck for the Township through an online auction. While reviewing the meeting minutes of the Board, however, the purchase of this vehicle was not approved by the Board until March 5, 2025, as shown in the following excerpt from those minutes:

The township purchased a 2011 Ford F250 pickup truck from Bigiron auctions. The vehicle was purchased by using Jason's Bigiron account. Bigiron required payment within 48 hours of the auction. The vehicle was paid for by wire transfer with Charlie and Hank both signing the transfer. Hank made a motion to approve the vehicle purchase. Seconded by Jason. All vote yes.

We further noted that, during the meeting on December 4, 2024, the Board passed a motion to authorize the Board Chairperson to make purchases on behalf of the Township without prior approval of the Board. An excerpt from these meeting minutes is shown below:

Jason discussed the need to authorize Charlie to make necessary purchases/hires for day to day business for Olive township. Jason made a motion to authorize Charlie to make such purchases/hires. Second by Charlie. Jason and Charlie vote yes, Jeremy abstain. Motion passed.

Although this motion was approved by the Board, the APA noted that all checks issued by the Township included the statutorily required signatures of two Board members. Additionally, we did not note any claims that lacked Board approval; however, several claims were paid prior to being approved by the Board, as noted above.

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