



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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December 9, 2025

Dave Wortmann, Chairperson  
Eastern Township Knox County  
89307 548 Avenue  
Crofton, NE 68730

Dear Chairperson Wortmann:

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

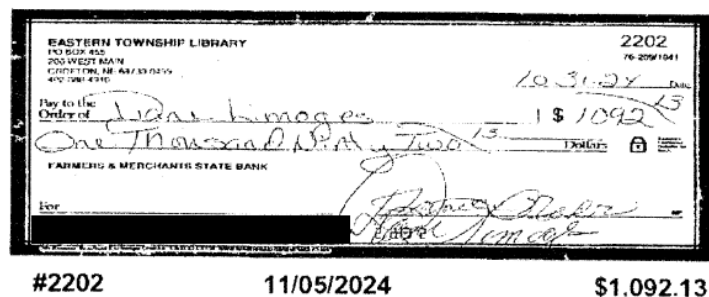
While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), the preliminary examination necessary to determine whether further audit work would be required or the audit waiver should be allowed, the APA noted certain internal control or compliance matters, or other operational issues, within the Township.

The following information is intended to improve internal controls or result in other operational efficiencies.

### Comments and Recommendations

#### 1. Lack of Dual Authorized Signatures

The APA obtained the monthly statements for the Township's bank accounts from its fiscal year 2025 audit waiver request. From those statements, the APA noted that all checks issued from the Township Library's bank account during the examination period contained the signatures of individuals that are not on the Township Board. An example of such checks is shown below:



Nebraska law requires both the Clerk and the Chairperson of the Township Board (Board) to sign all checks approved by the Board. In particular, Neb. Rev. Stat. § 23-255 (Reissue 2022) states, in relevant part, the following:

*The town clerk shall draw and sign all orders upon the town treasurer for all money to be disbursed by the township, and all warrants upon the county treasurer for money raised for town purposes, or apportioned to the town by the county or state, and present the same to the chairman of the board, to be countersigned by him, and no warrant shall be paid until so countersigned.*

(Emphasis added.) In addition, good internal controls and sound accounting practices require procedures to ensure that Township checks contain the statutorily required endorsements. Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of public 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 October 27, 2023, and November 26, 2024, 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 Board implement procedures to require dual signatures, from both the Clerk and the Chairperson, on all Township checks, as required by law.

## **2. Expenditures in Excess of Budget**

For the fiscal year ended June 30, 2025, actual expenditures exceeded the Township's adopted budget by \$73,626. No amendment was filed with our office for these additional expenditures.

Neb. Rev. Stat. § 13-510 (Reissue 2022) states, in relevant part, the following:

*No expenditure during any fiscal year or biennial period shall be made in excess of the amounts indicated in the adopted budget statement, except as authorized in section 13-511, or by state law. Any officer or officers of any governing body who obligates funds contrary to the provisions of this section shall be guilty of a Class V misdemeanor.*

Neb. Rev. Stat. § 13-511 (Reissue 2022) sets out the procedures for amending the adopted budget accordingly.

When expenditures are made in excess of the amounts budgeted with no appropriation adjustments by the Board to address those excesses, the Township is noncompliant with State statute, further increasing the risk for loss and/or misuse of funds.

We recommend the Board implement procedures for: 1) monitoring closely its budget status on an ongoing basis to avoid expenditures that exceed the amount budgeted; and 2) amending the budget as required when such excess expenditures are unavoidable.

## **3. 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 two checks, totaling \$1,215, that were issued before the underlying claims were approved by the Board. Details of these checks are included below:

Approval Date	Name/Vendor	Amount	Check #	Payment Date	Days Paid Before Approval
2/12/2025	Township Employee	\$ 584	5518	2/4/25	8
2/12/2025	Internal Revenue Service	631	EFT	2/7/25	5
Total		\$ 1,215			

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.

\* \* \* \* \*

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](mailto:dakota.christensen@nebraska.gov)**.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Avery", with a long, sweeping horizontal line extending from the end of the name.

Mark Avery, CPA  
Assistant Deputy Auditor