



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen  
State Auditor

Charlie.Janssen@nebraska.gov  
PO Box 98917  
State Capitol, Suite 2303  
Lincoln, Nebraska 68509  
402-471-2111, FAX 402-471-3301  
auditors.nebraska.gov

December 23, 2022

Nick Luebbert, Chairperson  
Cumming Township Cumming County  
2018 F Road  
West Point, NE 68788

Dear Chairperson Luebbert:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Cumming Township Cumming County (Township) for the fiscal year ending 2022. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Cum. Supp. 2022), 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. 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 checks, totaling \$4,158, were issued before the underlying claims were approved by the Board.

| Approval Date | Name/Vendor                    | Amount   | Check # | Check Date | Days Paid Before Approval |
|---------------|--------------------------------|----------|---------|------------|---------------------------|
| 3/9/2022      | Bomgaars                       | \$ 65    | 4621    | 2/4/2022   | 33                        |
| 3/9/2022      | Farmers Pride                  | \$ 684   | 4622    | 2/8/2022   | 29                        |
| 3/9/2022      | Oelkers & Associates           | \$ 275   | 4623    | 2/8/2022   | 29                        |
| 3/9/2022      | Nick Luebbert                  | \$ 808   | 4624    | 2/8/2022   | 29                        |
| 3/9/2022      | Oelkers & Associates           | \$ 405   | 4625    | 2/8/2022   | 29                        |
| 3/9/2022      | Nebraska Department of Revenue | \$ 777   | EFT     | 2/1/2022   | 36                        |
| 3/9/2022      | CCPPD                          | \$ 39    | EFT     | 1/25/2022  | 43                        |
| 3/9/2022      | IRS                            | \$ 570   | EFT     | 1/14/2022  | 54                        |
| 3/9/2022      | CCPPD                          | \$ 38    | EFT     | 2/25/2022  | 12                        |
| 3/9/2022      | IRS                            | \$ 497   | EFT     | 2/15/2022  | 22                        |
| Total         |                                | \$ 4,158 |         |            |                           |

The Township Board is required to approve claims against the Township as set out in Neb. Rev. Stat. § 23-255 (Reissue 2022), which 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 duties necessarily entails the Board’s approval of all expenditures of Township funds prior to the 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 by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

## **2. Board Member Compensation**

During review of the fiscal year 2022 audit waiver request for the Township, the APA noted that compensation, totaling \$18,990, was paid to the Township Board Chairperson, Nick Luebbert, during fiscal year 2022. Chairperson Luebbert also serves as the Township maintainer operator. His pay rate was approved by the Township Board on June 10, 2020; however, this pay rate was not approved by voters at the annual meeting of the Township.

Neb. Rev. Stat. § 23-258 (Reissue 2022) includes “[t]he compensation of town officers for services rendered their respective towns” among the general expenditures authorized as “town charges.”

Additionally, Neb. Rev. Stat. § 23-224 (Reissue 2022) provides the following:

*The electors present at the annual town meeting shall have power:*

\* \* \* \*

*(8) To direct the raising of money by taxation, subject to approval by the county board . . . (e) for the compensation of town officers at the rate allowed by law and, when no rate is fixed for such amount, as the electors may direct[.]*

Good internal control requires procedures to ensure that any compensation paid to Board members is adequately supported, and the rate paid is approved by the electors at the annual town meeting, as required by State statute, and adequately documented in the minutes of the meeting during which the rate was approved.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss or misuse of Township funds.

We recommend the Board implement procedures to ensure any compensation paid to Board members is adequately supported, and the rate paid is approved by the electors at the annual town meeting, as required by State statute, and adequately documented in the minutes of the meeting during which the rate was 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,

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

Mark Avery, CPA  
Assistant Deputy Auditor