

## **SUMMARY**

The Office of the Auditor General has conducted an audit of the Monument Valley Tribal Park cash receipts process. The audit addresses the concerns raised by the Navajo Nation Parks and Recreation Department director and Resources Committee regarding the adequacy of internal controls due to several reported incidents of missing cash. The review of internal controls over the Park's cash receipts covers the period from June 01, 2000 to June 30, 2001.

### **FINDING I: Park Needs to Improve Controls Over Cash**

Although the Park has some procedures to account for and safeguard revenues which average \$1.7 million annually, these procedures did not prevent the theft and loss of approximately \$4,100 in cash receipts. The Park has numerous internal control deficiencies which contributed to the several incidents of theft. Comprehensive written cash management policies and procedures are needed to help foster proper segregation of duties, clarify accounting procedures for better efficiency, verify the accuracy and reliability of financial reports and define staff roles and responsibilities. Currently, staff duties result in a conflict of interest, unclear procedures hinder individual accountability, deposit practices are inconsistent and financial reporting is unreliable.

### **FINDING II: Park Security Over Cash Activities Needs Improvement**

The Park's security measures are too lenient and do not adequately protect cash and assets. During the audit period, there were at least seven reported incidents of missing cash and only \$198 was recovered. A review of the Park's security system revealed various deficiencies that likely contributed to the missing cash. Rather than fully evaluating and establishing strong preventive controls, the Park reacts to incidents with inadequate changes. Therefore, these changes do not necessarily address the underlying cause(s) to prevent future thefts. Better planning is needed to make sure new security mechanisms are thoroughly tested before implementing and that the system is periodically evaluated to make sure it remains effective to meet the Park's needs.

### **FINDING III: Oversight of Park Activities Needs to be Strengthened**

Along with the need to improve cash and security controls, there is also a need to continually monitor overall operations and activities to make sure Park goals and objectives are being met. Oversight needs to be a high priority for both the Park and Department management considering the Monument Valley Tribal Park generates considerable revenues for the Navajo Nation. There is little evidence of consistent and effective monitoring by either the Park or Department management. Training opportunities for Park staff were disregarded and Department guidance on how to correct control deficiencies is nonexistent. In addition, Park facilities and services are in unsatisfactory condition which may adversely affect the Park's reputation. The Park lacks typical parks and recreation services and the current commercial building has limited space which hinders effective Park operations and security objectives.