

SUMMARY

The Office of the Auditor General has conducted a follow up audit to the Special Review of the Western Agency Office of Dine Youth (ODY), formerly the Department of Youth/Community Services, revenue generating activities. The follow up audit determines the extent to which the Western Agency Office of Dine Youth addressed the audit findings and recommendations made in the prior audit.

FINDING I: ODY Has Yet to Fully Address the Prior Audit Findings and Recommendations.

Generally, ODY is progressing to better account for its revenue generating activities. However, the program has yet to fully address the audit findings and recommendations made in the prior audit. Most of the recommendations have been partially implemented. ODY closed its bank checking account as recommended and developed a fund management plan for the Toh Nanees Dizi Community Center which is currently pending review by the Budget and Finance Committee despite the Office of Controller's disapproval of the plan. The recommendation to establish an ODY depository account is no longer applicable since the Nation has one primary depository account used by all programs generating revenues. Currently, ODY deposits its receipts with the Cashier Section and the receipts are recorded into the Nation's General Fund miscellaneous revenue account. However, ODY is inconsistent in complying with the Cashier Section deposit policies and procedures since approximately \$15,300 in receipts were not deposited but expended for other program activities. Further, the receipts are not reflected as revenues in the ODY budget.

FINDING II: ODY Continues to Lack Adequate Controls over Revenue Generating Activities.

ODY has made some improvements but controls over receipts and expenditures need further strengthening. Cash receipts that were not deposited were expended by ODY contrary to Navajo Nation purchasing policies. ODY is inconsistent in complying with applicable policies, procedures and forms. Consequently, receipts of approximately \$15,300 were withheld from deposit and subsequently expended separate from the Purchasing Department without valid purchase orders. In addition, ODY executed several contractual agreements contrary to Navajo Nation law. The agreements were not reviewed by the Nation's 164 review process and there was no approval by the Navajo Nation Council or an oversight committee. One agreement in particular resulted in total cash expenditures of \$5,589 for a concert and the cancellation of another. ODY was only able to generate \$336 from concert ticket sales. This lead to questions on how well ODY plans its activities and whether program resources are used prudently.