

Twin Lakes Chapter Corrective Action Plan 12-Month Follow Up

Objective

In accordance with 12 Navajo Nation Code, Section 7(G), the Office of the Auditor General conducted a twelve month follow up review on the status of the Twin Lakes Chapter corrective action plan that was approved by the Budget and Finance Committee per resolution BFMA-29-01. Our objective for the follow up review was to determine whether the Twin Lakes Chapter implemented its corrective action plan and resolved the findings reported in audit report no. 00-24.

Scope and Methodology

In meeting our objective, we reviewed Chapter activities for the six month period beginning November 1, 2001 through April 30, 2002. Our review consisted of interviews with Chapter staff, observation of Chapter operations and verification of Chapter financial transactions. In verifying financial transactions, we examined available documentation regarding cash receipts, disbursements, temporary personnel and financial reporting. Sampling procedures were employed to specifically test cash receipts and disbursements for supporting documentation, proper approval and compliance with applicable laws, funding guidelines, policies and procedures.

Review Results

Our review has found that Twin Lakes Chapter has fully implemented a majority of its corrective action plan. Accordingly, the Chapter has resolved most of the audit findings. We found that the Twin Lakes Chapter was able to resolve most of the internal control deficiencies by adopting and implementing its five management system policies and procedures manual. However, there were some corrective actions that were not fully implemented. The Chapter indicated that their corrective efforts were hindered primarily by staff turnover. Since the initial audit, two Community Services Coordinators were terminated for unsatisfactory performance and one Clerk/Typist resigned. Due to the Chapter not having a permanent Community Services Coordinator, the Secretary/Treasurer has become more involved in the Chapter administration to assist the Clerk/Typist in making sure Chapter operations and services are not disrupted.

Although the Secretary/Treasurer is involved in the administration, the Chapter has implemented compensating controls to remain consistent with LGA requirements and maintain accountability for Chapter assets and resources. In addition, the Chapter officials were able to use available resources such as temporary employees to continue implementing its corrective action plan. For those corrective actions that remain pending, the Chapter hopes to have them fully implemented in the very near future or upon hiring a new Community Services Coordinator. The pending actions are minimal and their incomplete status does not pose a substantial risk for financial loss to the Chapter. We also observed that the Chapter officials and staff are working well together and have made a committed effort to continue improving Chapter operations and services. Considering this, we do not recommend that sanctions be imposed against the Twin Lakes Chapter and its officials as provided in 12 N.N.C. Sections 9(A) and 9(B).

Conclusion

Overall, the Twin Lakes Chapter has made considerable improvement since the initial audit. The Chapter has demonstrated a significant effort in implementing its corrective action plan and has resolved most of the audit findings presented in audit report 00-24. With an improved accounting system and stronger internal controls, Twin Lakes Chapter is able to provide reasonable assurance that all Chapter assets and resources are properly accounted for and adequately safeguarded from any loss.