

SUMMARY

The Navajo Nation Office of the Auditor General conducted a performance audit of the Crownpoint Institute of Technology (CIT). The audit was conducted pursuant to 12 N.N.C. Section 2 (A)(2) and 3 (E).

FINDING I: The CIT veterinary projects could be managed more effectively

The Crownpoint Chapter has concerns about the Veterinary Program operations and activities surrounding the development of the elk management program. More specifically, the Chapter is concerned about significant grants received, funds used to purchase livestock, and livestock kept off CIT property. We found that the Veterinary Program has several internal control deficiencies related to the elk management program and the animal hospital. The Veterinary Program projects lack accountability, planning, and management oversight.

FINDING II: CIT needs to strengthen revenue generating activity controls

Review of the animal hospital and cafeteria operations identified internal control deficiencies over revenue generating activities. As auxiliary enterprises, the animal hospital and cafeteria operations are expected to account for revenues generated and expenses incurred. Our review found questionable practices that contributed to the internal control weaknesses.

FINDING III: CIT needs to improve controls over land and development

Based on its plan of operation, CIT secured interest in land by way of permits and entered into agreements for capital development to further its purpose. The permitted lands are not owned nor were they purchased by CIT, CIT was only granted permission for use of these lands. In addition, CIT understood the importance of planning for development and site improvements with the establishment of a five-year master plan. However, to ensure that the institution's activities are proper and that CIT management has a foundation to guide development, internal policies and procedures need to be formulated and approved by the CIT Board of Directors.

FINDING IV: CIT Board of Directors appointment process could be improved

The CIT Board of Directors was established in November 1981 by the then Advisory Committee of the Navajo Nation Council. The Office of the President/Vice President is responsible for appointing Board members every three years as required by the CIT plan of operation. However, these appointments have been untimely. Alternative board structures present opportunities to improve the appointment process to appoint members in a timely manner and strengthen the Board's membership.