

SUMMARY

The Office of the Auditor General has conducted a special review of Teec Nos Pos Chapter for the 28-month period beginning October 1, 2007 through January 31, 2010. The audit determines the extent to which the Chapter has established appropriate internal controls and general accounting practices to ensure proper accountability for Chapter assets and resources, and compliance with applicable laws and regulations.

Finding I: Chapter lacks adequate internal controls over accounting of revenues and expenditures.

- Lack of controls over accounting of revenue led to unrecorded cash receipts and the risk of undeposited revenue.
- Lack of controls over the disbursements of Chapter funds led to questionable expenditures.
- Chapter funds were expended without a community approved budget which led to unauthorized expenditures.
- Community Services Coordinator was paid twice for performing the same tasks.
- Lack of accountability in housing related expenditures.
- The Chapter property/equipment is not properly accounted for and safeguarded.

Finding II: Chapter is not in compliance with Navajo Nation laws, rules and regulations.

- The Chapter hired contractors without competitive bidding.
- \$24,113 unauthorized additional stipends paid to former and current Chapter Officials.
- The Chapter is not in compliance with the Internal Revenue Service over payroll taxes.
- Stipend payments and consultant fees were not reported to the IRS.
- Financial reports were not provided to the community membership.

Finding III: Chapter accounting system needs improvements.

- Fund/subsidiary ledgers are not properly maintained.
- Bank accounts lack proper oversight by Community Services Coordinator.
- The Chapter financial statements are not accurate, therefore are deemed unreliable.
- There is a lack of oversight by the Chapter Officials.