

## SUMMARY

The Office of the Auditor General has conducted a special review of the 2012 - 101<sup>st</sup> Northern Navajo Nation Fair events managed by the Northern Navajo Nation Fair Board and the Navajo Nation Fair Office. This special review provides the results of the 2012 - 101<sup>st</sup> Northern Navajo Nation Fair. The review shows the Northern Navajo Nation Fair made a profit of \$36,576. The profit indicates that the \$428,230 revenues were sufficient to cover the \$391,654 cost of operating the Fair. Although the Fair made a profit, we noted deficiencies in the Fair operations that need improvement.

### **Finding I: Lack of Controls over Revenue and Expenses**

Controls over the Fair revenue and expenses were inadequate; as a result we identified the following deficiencies:

- The Fair Board did not capitalize on all revenue generating activities, resulting in \$65,000 in lost revenue.
- Unpaid vendor rental fees and parade entry fees totaled \$14,400.
- Poor documentation of revenues resulted in no assurance that all revenues are accounted for and reported to the Fair Board.
- Lack of documentation to support the validity of Fair expenses, specifically an \$8,000 cash withdrawal from the bank account.

### **Finding II: Lack of Adequate Management over Fair Events**

The Fair events were not adequately managed; as a result we identified the following deficiencies:

- Poorly supervised Indian Market resulted in frustrated vendors.
- Disorganized and ill-planned parade resulted in angry and disappointed parade participants.
- Poor management of Rodeo and 4-H events resulted in incomplete documentation and reporting of event activities.
- The Fair Board did not verify the accuracy of the close-out report provided by the Fair Office.
- Key responsibilities specified in the Memorandum of Understanding were not performed by the Fair Office.
- The Fair Board did not report wages, stipends, prize monies, and contractual payments as required by the Internal Revenue Service guidelines.

In addition to the findings summarized above, the audit report contains recommendations for improving future Fair operations.