

**OFFICE OF THE AUDITOR GENERAL**

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**The Navajo Nation**

**Internal Audit  
of  
Monument Valley Tribal Park  
Navajo Parks and Recreation Department**

**Report No. 18-10  
February 2018**


**Performed by:  
Beverly Tom, Senior Auditor**



## M-E-M-O-R-A-N-D-U-M

**TO** : Adeline Tohannie, Park Manager  
MONUMENT VALLEY TRIBAL PARK

: Martin L. Begaye, Department Manager III  
PARKS AND RECREATION DEPARTMENT

**FROM** :   
Elizabeth Begay, CIA, CFE  
Auditor General  
OFFICE OF THE AUDITOR GENERAL

**DATE** : February 9, 2018

**SUBJECT** : Internal Audit of Monument Valley Tribal Park

The Office of the Auditor General herewith transmits Audit Report No. 18-10, Internal Audit of the Monument Valley Tribal Park. The internal audit was conducted to determine whether the Monument Valley Tribal Park personnel and tour operators are prepared to respond to an emergency on park premises and whether cash collected is accounted for, deposited daily and safeguarded.

The auditors reported nine (9) findings:

- Monument Valley Tribal Park emergency action plan needs improvement to ensure the park is adequately prepared to respond to any potential emergency.
- Monument Valley Tribal Park public safety is an ongoing concern shared by emergency management and safety departments.
- Monument Valley Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions.
- Monument Valley Tribal Park monitoring of tour operators for compliance with safety requirements needs to be strengthened.
- The increasing number of tour operators at Monument Valley Tribal Park affects public safety.
- Monument Valley Tribal Park recordkeeping of park employee safety credentials needs to be improved.
- Cash collection shortages and overages is an ongoing issue for the Monument Valley Tribal Park due to poor controls.
- Monument Valley Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft.
- Monument Valley Tribal Park needs to strengthen security controls to properly safeguard cash revenues.

The audit report provides recommendations to correct the reported findings. The Monument Valley Tribal Park has agreed to resolve the audit findings.

If you have any questions about this report, please contact our office at (928) 871-6303.

xc: Bidtah Becker, Division Director  
DIVISION OF NATURAL RESOURCES  
Chrono

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## INTRODUCTION AND BACKGROUND

The Office of the Auditor General conducted an internal audit of the Monument Valley Tribal Park. The audit addressed concerns over the emergency preparedness and responsiveness, and accountability and safeguarding of cash revenues. The audit was requested by the Resources and Development Committee of the Navajo Nation Council.

### Monument Valley Tribal Park



- Established in 1958
- Largest tribal park
- Open year round
- Located on the Arizona-Utah border
- Amenities include lodging, dining, gift shop, tour guides, RV parking, hiking trails, etc.
- Attracts over 400,000 visitors annually
- Popular for film/photography

The Monument Valley Tribal Park is the largest tribal park on the Navajo Nation. The park located on the Arizona-Utah border in Monument Valley, Arizona was established in 1958 as a preserved environment by the Navajo Nation Council. The park employs ten permanent year-round personnel and hires additional temporary employees during their peak season which is typically from March to October. Based on park records, there were over 400,000 visitors to the park in fiscal year 2016.

This park primarily generates revenues from entrance fees. Park visitors are required to pay an entrance fee depending on mode of transportation to enter the park premises; see table 1 below for the different fees. Once visitors enter the park, they can view the rock structures from afar or take a tour to get a closer view. Visitors can also dine at a restaurant, lodge at a hotel or visit the gift shop which are all located on the park premises.

[See Table 1 on next page]

**Table 1**  
**Monument Valley Tribal Park Entrance Fees**

<b>Park Entrance Fees</b>	<b>Amount</b>
Private Vehicle (party of 1-4 people)	\$20.00
Private Vehicle (additional party)	\$6.00 per person
Motorcycle	\$10.00
Bus/Van group rate (party of 6 passengers)	\$35.00
Bus/Van group rate (party of 7-15 passengers)	\$100.00
Bus/Van group rate (party of 16-25 passengers)	\$125.00
Bus/Van group rate (party of 26-more)	\$300.00

Source: Monument Valley Tribal Park

The main attraction of Monument Valley Tribal Park is the 17-mile scenic drive among the unique rock structures. Tours are provided by tour operators who are private companies that have permits with the tribal park to provide the tour services. During fiscal year 2016, there were 28 operators working with the tribal park. The fees charged by the tour operators vary and park visitors can pay approximately \$50-\$150 per person for a specified time period (i.e., one hour) for these tours. The average tour fee is approximately \$75.

Based on the Office of Navajo Tax Commission records, Monument Valley Tribal Park tour operators reported approximately \$1.3 million gross receipts in FY2016. In comparison to the total entrance fees collected by the park as noted in Table 2, it appears only a fraction of the park visitors that paid an entrance fee went on a tour with a tour operator. Since the tour operator revenues are not collected by the tribal park, they are not considered Navajo Nation revenues, except for the 5% sales tax that the tour operators remit to the Office of Navajo Tax Commission.

### **Parks and Recreation Department**

The Parks and Recreation Department manages the Monument Valley Tribal Park along with all other tribal parks on the Navajo Nation. The Department was established in 1964 under the Executive Branch within the Division of Natural Resources with a primary mission to protect, preserve and manage tribal parks, monuments and recreation areas for the perpetual enjoyment and benefit of visitors to the Navajo Nation. There are seven tribal parks and each park is managed by a designated park manager who reports directly to the department manager. The division director supervises the department manager and legislative oversight is provided by the Resources and Development Committee.

### **Parks and Recreation Enterprise Fund**

All park revenues are deposited into the Parks and Recreation Enterprise Fund. This is a proprietary fund that was established based on a fund management plan for funding the

operations of the Parks and Recreation Department to achieve its purpose. Table 2 summarizes the Monument Valley Tribal Park revenues generated for fiscal year 2016 by revenue source:

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**Table 2**  
**Monument Valley Tribal Park Revenues**  
**Fiscal Year 2016**

<b>Revenue Source</b>	<b>Amount</b>
Entrance fees	\$ 4,054,460
Commercial tour permit	\$ 23,625
Other	\$ 16,559
Backcountry permits	\$ 16,194
Filming/Photography permits	\$ 11,802
Vending fee	\$ 11,223
Donation	\$ 1,684
Special use permit	\$ 896
Bank interest	\$ 242
Facility rental fee	\$ 200
<b>TOTAL:</b>	<b>\$ 4,136,885</b>

Source: Auditor General compilation of the cash receipt reports.

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### **Objective, Scope and Methodology**

Our objectives in conducting this audit were to:

- Determine whether the Monument Valley Tribal Park personnel and tour operators are prepared to respond to an emergency on park premises.
- Determine whether cash collected is accounted for, deposited daily and safeguarded.

The audit covers Monument Valley Tribal Park operations from October 01, 2015 to September 30, 2016. A subsequent visit was made to the park in September 2017 and the results of that visit were also considered as part of this audit.

**SCOPE LIMITATION:** The audit did not include a) an evaluation of the potential revenue that the Navajo Nation can generate if the Parks and Recreation Department directly operate the tour services, and b) an evaluation of how the entrance fees are set and whether the current rates are suitable.

In meeting our objectives, we performed the following procedures:

1. Reviewed Monument Valley Tribal Park records including but not limited to the plan of operation, fund management plan, policies and procedures, and correspondences.
2. Reviewed financial records of the Monument Valley Tribal Park such as weekly cash deposit reports, bank statements, deposit slips, and daily cash counts.

3. Conducted and observed Monument Valley Tribal Park activities.
4. Researched, via the internet, and inquired with other state/national parks for information regarding emergency planning, preparedness, response and enforcement. These parks included: a) Grand Canyon National Park, b) Montana State Park, c) Jordanelle State Park (located in Utah), d) Yellowstone National Park and e) Canyon De Chelly National Park. We also researched the National Park Service website.
5. Used the ACL data analysis software to randomly select 20 dates during the park's peak season which was between March 1, 2016 and September 30, 2016. For each date, there were 3-4 fee collection shifts and per each shift, the fee collector remitted a money bag of cash and corresponding receipts. The 40 dates comprised of 70 total money bags.
6. Performed test work of all cash receipts for the 70 money bags selected to verify adequate cash controls. The total cash receipts tested was \$349,956.
7. Used the ACL data analysis software to randomly select 60 dates during fiscal year 2016 to verify full deposits of cash receipts. The total deposits tested was \$1,867,475.
8. Selected and performed test work of all 28 tour operators currently contracted with the tribal park for compliance with Navajo Nation Tour and Guide Service Act.
9. Selected all audit test work samples in accordance with the established sampling guidelines for high level of control risk.
10. Interviewed tribal park staff and Parks and Recreation Department staff.
11. Obtained and reviewed budgetary and accounting records from the Financial Management Information System, Office of the Controller cashier's office and Office of Management and Budget.
12. Interviewed staff within the Department of Emergency Management and the Safety/Loss Program to obtain their feedback on the tribal park emergency management plans, their working relationships with the parks and what would be important safety measures at the tribal parks.

### **Government Auditing Standards**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of the Auditor General and staff express their appreciation to the Monument Valley Tribal Park staff, Navajo Parks and Recreation Department staff, and all other entities who contributed to this audit for their cooperation and assistance throughout the audit.

## REVIEW RESULTS

### I. EMERGENCY PREPAREDNESS

The Monument Valley Tribal Park provides various amenities for visitors to explore and enjoy the park. These amenities allow for the large attraction and influx of visitors to the park on an annual basis. As such, the park's preparedness with regards to emergency response is very important. Although the park has not documented a high number of accidents on park premises, it doesn't negate the park's overall responsibility to maintain a proactive approach with its emergency planning and responsiveness.

**FINDING: Monument Valley Tribal Park emergency action plan needs improvement to ensure the park is adequately prepared to respond to any potential emergency.**

**Criteria:** The Parks and Recreation Department requires each tribal park to maintain an emergency action plan to safely and effectively manage emergency situations within their respective park.

**Condition:** The Monument Valley Tribal Park offers amenities like hiking trails and tour guides as ways for visitors to explore and enjoy the park. Although Monument Valley Tribal Park has an emergency action plan, the plan is not comprehensive in addressing all aspects of the park. Rather, the plan is a standard template that was provided by the Parks and Recreation Department to all of the tribal parks.

In reviewing the plan against information obtained through research of other national and state parks regarding emergency planning and preparedness, we found the park's current emergency action plan is not comprehensive because the plan is missing key information such as the following:

- Emergencies that may occur outside of the park buildings and those that may impact park visitors rather than just employees.
- All potential hazards that may place park visitors and employees at risk for injury such as public health emergencies, criminal activities, dangerous wildlife, aircraft accidents, motor vehicle accidents, etc.
- Requirements on how to disseminate public information (i.e., signs, brochures, website, etc.) on potential hazards and safety precautions.
- The type of emergency supplies and equipment that should be kept on hand and readily available during emergencies.
- Requirements to document incidents that occur on park premises and follow up on reports for proper recordkeeping and remedial actions.
- Requirements to report incidents, if needed, to applicable Navajo Nation Departments such as the Risk Management Department, Department of Emergency Management and Navajo Occupational Safety and Health



Administration office for reporting purposes and assistance with remedial actions.

- Guidelines on how to respond to a lost or missing person on park premises.
- Requirements to keep the emergency action plan on hand and readily available for staff to utilize during an emergency, and to conduct periodic staff training on implementing the plan.
- Emergency preparedness and responsiveness requirements for tour operators.

**Effect:** Without a comprehensive emergency action plan that is specific to the Monument Valley Tribal Park, the park cannot provide assurance that it can safely and effectively manage emergency situations within park premises.

**Cause:**

- The park manager has not fully assessed potential hazards that may occur on the park premises. As a result, the park manager was unable to prepare a plan that would address all these hazards.
- The park manager did not follow the department's instructions for establishing a plan that will effectively address all emergencies at the park.
- The park manager did not coordinate the development of the emergency action plan with local emergency response agencies and does not seek local law enforcement feedback to improve emergency efforts at the park.
- The Parks and Recreation Department did not follow up with the park manager to make sure its requirements for the emergency action plan were met.
- The park manager does not train on the emergency action plan, at least annually, for park staff and all individuals who would assist with emergency responses.

**Recommendations:**

- 1) The park manager should conduct a full assessment of potential hazards that affect the Monument Valley Tribal Park to identify the safety precautions needed to establish a comprehensive emergency action plan that is specific to the Monument Valley Tribal Park.
- 2) The park manager should coordinate with local law enforcement agencies and emergency responders to assist the park in developing a comprehensive emergency action plan.
- 3) The Parks and Recreation Department should make routine visits to the park to ensure the park manager is following instructions and meeting requirements for a comprehensive emergency action plan.
- 4) The park manager, in coordination with the Parks and Recreation Department, should provide annual training of the comprehensive emergency action plan.

**FINDING: Monument Valley Tribal Park public safety is an ongoing concern shared by emergency management and safety departments.**

**Criteria:** The Parks and Recreation Department, in conjunction with the park managers, is entrusted with a fiduciary responsibility to ensure a safe visit for all park visitors.

**Condition:** The Navajo Nation Department of Emergency Management and the Safety/Loss Program within the Risk Management Department reported ongoing concerns about safety within the Monument Valley Tribal Park that affect both park visitors and staff. Both departments described various safety issues they observed first hand during their visits to the Monument Valley Tribal Park that they shared with park management. Some of these concerns were:

- Tour vehicle drivers who were intoxicated while on park premises
- Tour operators who could not provide proof of insurance and registration for their tour vehicles
- No license plates on some tour vehicles
- Lack of inspections for tour vehicles that were altered to serve as transport vehicles
- Missing safety features such as seatbelts on tour vehicles
- Speeding by tour vehicles filled with park visitors
- Tourist complaints of sexual harassment by tour vehicle drivers
- Safety plans that were inconsistent with acceptable standards such as the required landing dimensions for a medivac helicopter that needs to land to transport a person(s) for emergency medical attention.

These departments also indicated they provided recommendations and/or corrective measures to remediate these issues but it was unclear if park management provided a formal response back to the Department of Emergency Management and Safety/Loss Program. Both departments are concerned about the potential liability to the Navajo Nation if these issues are not addressed fully and in a timely manner.

**Effect:** Increased risk for potential liability when safety concerns are disregarded or not prioritized for correction.

**Cause:**

- Park management views tour operators as separate entities and therefore do not wish to interfere with the tour operators and their operations.
- Since most tour operators are local residents, park management finds it challenging to hold tour operators accountable for inappropriate behavior or violations of law.
- Park management does not get sufficient support from law enforcement in addressing such incidents and are therefore, more inclined to ignore the issues.

Recommendations:

- 1) The park manager should implement recommendations offered by the emergency management and safety programs to help mitigate risks for potential liabilities.
- 2) The park manager should have a risk assessment of park safety periodically to remain proactive in addressing potential issues.
- 3) The park manager should enforce the table of penalties for tour operators who do not comply with permit stipulations.
- 4) The Parks and Recreation Department should continue its efforts to hire a park ranger to monitor park activities and to enforce park rules and regulations for the safety of staff and visitors.

**FINDING: Monument Valley Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions.**

**Criteria:** The Parks and Recreation Department requires each tribal park to maintain and implement a general management plan to manage the park operations. The general management plan authorizes the park manager to implement services to ensure visitors remain safe while visiting the park. Such services would include the dissemination of safety information to park visitors.

**Condition:** Based on observations, the Monument Valley Tribal Park provides safety information such as weather-related warnings, speed limits for scenic drive, and hiking precautions. However, the park could implement other safety measures that would help ensure the safety of its visitors. During our field visit to the park, we noted the following:

- There were no posted signs specifically addressing potential hazards on park premises or safety precautions needed to avoid such hazards. The entrance booths, entrance to the scenic drive route, and areas throughout the park premises are void of safety signage to inform park visitors.
- Contact numbers for emergency responders such as local police, fire department, and paramedics were not clearly posted on signs or provided in brochures to make such information readily available to park visitors.
- Although the park has evacuation plans in place for park buildings, there are no evacuation routes posted to inform park visitors how to safely exit the park during an emergency. This would include exit routes for the scenic drive path and hiking trails.
- Although the park has a website that serves as the primary source of information about the park to people who are interested in visiting, the site does not address: a) all potential hazards found at the park, b) safety precautions, c) emergency contact information, d) evacuation/alternate routes

to exit the park during an emergency, and e) weather alerts that may impact park visitation.

**Effect:** The lack of sufficient public safety information could lead to injury among park visitors.

**Cause:** The Parks and Recreation Department does not monitor the park to make sure the park staff is providing sufficient public safety information.

**Recommendations:**

- 1) The park should install visible signs, create a brochure and update its website to provide park visitors with important information on potential hazards at the park and the safety precautions they need to take to have a safe park visit.
- 2) The Parks and Recreation Department should monitor the park manager to make sure the park is providing sufficient safety information.

**FINDING: Monument Valley Tribal Park monitoring of tour operators for compliance with safety requirements needs to be strengthened.**

**Criteria:** The Navajo Nation Tour and Guide Service Act requires a tour and guide service permit to authorize tour and guide services on and within the Navajo Nation. The permits are executed between the Navajo Nation (via the Parks and Recreation Department) and the tour operators. The standard permit requires the tour operators to operate in an orderly, professional and ethical manner and to comply fully and in a timely manner with directives and instructions issued by the Navajo Nation. In addition, the agreements require tour drivers and guides to possess required vehicle operator's licenses for the state in which they permanently reside, and a CPR/First Aid certification. Any violations of the agreements will be addressed by the Navajo Nation Tour and Guide Service Act table of penalties.

**Condition:** The park currently has permits with 28 tour operators to offer guided tours to park visitors. However, the park manager does not monitor tour operators to ensure they are adhering to safety requirements. This was evident by the following:

- There were no records of the park staff routinely monitoring the tour operators' compliance with safety requirements as outlined in the Navajo Nation Tour and Guide Service Act.
- The park is required to maintain a file of key records for each tour operator but most of the 28 files were missing CPR/First Aid certifications and current driver licenses for all their employees.
- Based on inquiries with four tour operators who were onsite during our park visit and observations of their tour vehicles, we noted:
  - a) One tour operator could not provide a driver license.

- b) Two tour operators could not provide CPR/First Aid certifications.
- c) One tour operator did not have First Aid kit in their vehicle.
- Tour operators are not giving proper safety instructions to the passengers before departing on their tours. There were no instructions given about standing in vehicles or sitting on bumpers while vehicles are in operation. In addition, the tour vehicles have no signs to display safety instructions for passengers.
- During the FY2016 annual meeting with tour operators, the park requested vehicle inspection reports from all operators. However, no inspection reports were provided for the four tour operators that were onsite during our visit. Therefore, it is unknown whether their tour vehicles were in good mechanical condition. If there were deficiencies with the vehicles, there were no records to show the park mandated the tour operators to address the deficiencies.
- In the incident reports found on file, there were two incidents that tour operators were speeding and driving recklessly. However, there was no record to show the park manager addressed these issues with the tour operators during the annual meeting to prevent future similar incidents.

**Effect:** Tour operators could put visitors in unsafe situations and this poses a significant liability risk for Monument Valley Tribal Park and the Navajo Nation.

**Cause:**

- The park manager does not provide written notice to the tour operator for violations of the Navajo Nation Tour and Guide Service Act.
- The park manager does not enforce the table of penalties against tour operators who violate applicable rules and regulations.
- Navajo Nation Tour and Guide Service Act as well as the park's general management plan are too general about safety requirements for tour operators and the vehicles used to transport park visitors. For example, there are no specific requirements for vehicle inspections and maintaining First Aid kits in the tour vehicles.
- The tour operator service agreements executed between Monument Valley Tribal Park and tour operators do not have specific stipulations that require tour operators to provide annual vehicle inspection reports as proof their tour vehicles are in good mechanical condition.
- The park does not have an onsite park ranger to monitor tour operators and their activities, and to enforce rules and regulations.

**Recommendations:**

- 1) The park manager should develop a weekly monitoring schedule and use a checklist to verify tour operators are adhering to safety requirements including required documentation.
- 2) The park manager should meet with the tour operator(s) on quarterly basis to remind them of safety requirements and go over incident reports.

- 3) The park manager should issue written notices to the tour operator for non-compliance.
- 4) The park manager and Parks and Recreation Department should enforce table of penalties if tour operators do not take corrective action.
- 5) The park manager and the Parks and Recreation Department should recommend revisions to the Tour and Guide Service Act, general management plan, and the standard tour and guide service agreement to specifically address the need for tour vehicle inspections and remittance of inspection reports.
- 6) The Parks and Recreation Department should continue its efforts to hire a park ranger with job duties and responsibilities similar to the National Park Service park rangers.

**FINDING: The increasing number of tour operators at Monument Valley Tribal Park affects public safety.**

**Criteria:** The Parks and Recreation Department is authorized to issue permits to tour operators to provide tour guide services on tribal parks to allow visitors to view and appreciate the park attractions (i.e., rock formations, canyons, etc.) up closely.

**Condition:** The current tour guide regulations and park policies do not provide a specific limitation on the number of tour operators and the number of their vehicles that can operate on tribal parks. Therefore, the number of tour operators has steadily increased at the Monument Valley Tribal Park.

During the audit fieldwork in October 2016, the number of tour operators conducting business on Monument Valley Tribal Park premises was 28. During a subsequent visit to the park in September 2017, the park manager stated this number had increased to 33.

Each tour operator is deemed a private tour guide business. Therefore, each business will maintain a fleet of tour vehicles and a pool of employees as drivers of these vehicles. These tour operators transport park visitors down the 17-mile scenic drive to see the unique Monument Valley rock structures up closely. Since there are 33 tour operators, each with several tour vehicles providing several tours on a daily basis, the number of vehicles on the two-lane highway can become relatively high especially during peak season. This number increases if traffic by local residents is also taken into consideration.

**Effect:** With heavy traffic on a two-lane road, there is an increased risk for accidents to occur. Such risks directly affects public safety within the tribal park.

**Cause:**

- The park manager has not established an internal policy to limit the number of tour operators and/or number of tour vehicles that can operate on Monument Valley Tribal Park premises at a given time.

- The park manager continues to issue tour guide permits despite safety concerns.
- The park manager and the Parks and Recreation Department have not done a safety risk assessment to evaluate the risks posed by managing a high number of tour operators.

Recommendations:

- 1) The Parks and Recreation Department should work with legislators to strengthen current laws, regulations and policies that govern tour guide operators on tribal parks to better promote public safety.
- 2) The park manager should work with the Parks and Recreation Department to establish an internal policy that sets a limit on the number of tour operators and the number of vehicles at any given time. In the meantime, the park manager should obtain approval from the Parks and Recreation Department for any new permits.
- 3) The park manager should work with the Navajo Nation Risk Management Department to perform a safety risk assessment of the tribal park to establish a plan on how to effectively manage the high number of tour operators.

**FINDING: Monument Valley Tribal Park recordkeeping of park employee safety credentials needs to be improved.**

**Criteria:** The emergency action plan requires that the park establish an emergency response team that is comprised of park staff trained in emergency responses, evacuation, and First Aid/medical assistance.

**Condition:** The park manager provided a list of 16 permanent and temporary park staff members who attended CPR/First Aid training in fiscal year 2016. However, no training certificates were found on file to verify the training of 11 staff. Another three staff members have yet to receive training.

**Effect:** There is a risk that park staff will not be prepared to respond to medical-related emergencies on park premises. This could lead to a liability for Monument Valley Tribal Park and the Navajo Nation.

**Cause:**

- The park manager is not monitoring safety credentials for park staff.
- The park manager claimed she made attempts to obtain the CPR/First Aid certifications from the vendor who provided the training but has not received the certifications to date.

Recommendations:

- 1) The park manager should continually monitor safety credentials for permanent and temporary park staff.
- 2) The park manager should work closely with the Park and Recreation Department management to coordinate future CPR/First Aid training to better ensure records of such training is maintained for all park staff.



## II. CASH CONTROLS

The popularity of the Monument Valley Tribal Park and the different amenities offered for visitors creates greater opportunities for the park to generate high revenues. As noted in Table 2 of this report, the park generated over \$4 million in revenues in fiscal year 2016. Most of the revenues (about 98%) were generated from entrance fees. Records showed that approximately 73% of the entrance fees were paid in cash which means the park staff is handling large amounts of cash revenues. To ensure proper accountability of such revenues, strong internal controls over cash activities are needed.

**FINDING: Cash collection shortages and overages is an ongoing issue for the Monument Valley Tribal Park due to poor controls.**

**Criteria:** The general management plan authorizes the park manager to receive, verify, control and otherwise be responsible for all revenues generated and ensure proper accounting and disposition of such funds.

**Condition:** Monument Valley Tribal Park collected, on average, over \$13,000 per day during peak season. To verify whether the park is accounting for all cash collected, we tested 70 money bags. Of these 70 money bags, 22 bags or 31% had shortages or overages that were not properly justified by the fee collectors.

During the audit fieldwork in October 2016, the fee collectors were using computerized ticketing machines that helped minimize cash receipt shortages and overages. However, during a subsequent visit to the park in September 2017, the ticketing machines were no longer working and as a result, the fee collectors reverted to its manual system to collect entrance fees and issue tickets. We found the amount of shortages had increased. Of the 63 money bags that were examined, 21 money bags (66%) showed shortages of \$5,659.

**Effect:** With a manual system, there is a higher risk for unaccounted cash receipts (i.e., shortages) that could be stolen without detection.

**Cause:**

- Duties for collecting, recording, depositing, and reconciling receipts are not segregated. Based on observation and test work, the fee collector supervisor is preparing the cash reconciliation, posting transactions to the cash receipt reports, preparing the deposits, and making deposits at the bank.
- The fee collector supervisor does not properly reconcile cash receipts and investigate money bag discrepancies to determine if the discrepancies are justified.
- The park's cash receipt policies and procedures have not been updated to reflect current activities and to address all critical controls such as segregation of duties, reconciliation, and verification of transactions.
- Further, there is no close supervision of fee collectors at the entrance booth and

surprise cash counts which could detect if misuse/theft of funds.

**Recommendations:**

- 1) The park should reinstall computerized ticketing machines in a timely manner to ensure cash receipts are fully accounted for.
- 2) The fee collectors should use the refund/void reports to justify all shortages and overages, and these reports should be approved by the fee collector supervisor.
- 3) The park manager should segregate the functions of collection, reconciliation and deposit of cash to different park staff as feasible. If the functions cannot be segregated, implement other compensating controls.
- 4) The fee collector supervisor should investigate money bag discrepancies immediately and obtain written justification from the fee collectors.
- 5) The park manager should update the cash receipt policies and procedures to address segregation of duties, reconciliation, verification of transactions, supervision of staff at the entrance booths, and surprise cash counts.

**FINDING: Monument Valley Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft.**

**Criteria:** The enterprise fund management plan requires all receipts to be deposited in appropriate accounts on a daily basis if practical.

**Condition:** Our examination of a sample of 60 deposits totaling approximately \$1.9 million revealed that 72% of these deposits were not made on the same day the cash receipts were collected. Records showed that the park took, on average, four days to make a deposit at the nearest bank. This is contrary to the park's policy which requires daily deposits of cash revenues.

Since there are no daily deposits, the park is maintaining large amounts of cash on hand on park premises, especially during the peak season. The nearest bank is approximately 30 miles from the park and there are no night deposits being made. During a subsequent visit to the park in September 2017, we were informed that the park established night deposit privileges with the bank but there was still no daily deposits.

**Effect:** There is risk that cash could be stolen from park premises and park staff could be harmed in the process.

**Cause:**

- There is no deposit schedule that designates a specific staff member(s) to make the daily deposits.
- The park manager does not adequately monitor the staff in making daily deposits including the use of the night deposit service.

Recommendations:

- 1) The park manager should develop a deposit schedule that specifies the staff member(s) responsible for making the daily deposits including any after business hours deposits.
- 2) The park manager should monitor deposits to make sure staff complies with deposit schedules and utilize the night deposit to make timely deposits.

**FINDING: Monument Valley Tribal Park needs to strengthen security controls to properly safeguard cash revenues.**

**Criteria:** The general management plan authorizes the park manager to receive, verify, control and otherwise be responsible for all revenues generated and ensure proper accounting and disposition of such funds. This responsibility includes the safeguarding of cash revenues before bank deposits are made.

**Condition:** During peak season, the Monument Valley Tribal Park can have as much as \$13,000 on hand per day on park premises waiting deposit. Until the cash revenues are actually deposited, the park is responsible for safeguarding the revenues. However, a visit to the park revealed poor security controls:

- No proper security equipment: Security cameras intended to monitor cash handling activities were not fully operational, specifically the cameras at the entrance booths. However, during a subsequent visit to the park in September 2017, the park was able to get the cameras operational but monitoring by the park manager was still lacking.
- No monitoring/oversight: For cameras that are recording, the recordings are not routinely reviewed by security staff or other authorized personnel to detect any unusual or suspicious activities. There is also no oversight to safeguard camera recordings and prevent tampering with equipment.
- Out-of-date combination numbers for the safes: The park does not periodically change safe combination numbers or retrieve door keys to restricted areas when employees are terminated.

**Effect:** There is risk that cash could be stolen without detection.

**Cause:** Aside from the cash receipt policies and procedures, the park does not have security policies and procedures that would address how the park safeguards its property and assets including its cash on hand.

Recommendations:

- 1) The park should repair or replace security cameras that are not fully operational and the Parks and Recreation Department should make monthly visits to the park to make sure security equipment are working as intended.
- 2) The park manager should develop security policies and procedures especially for the security cameras and how they should be managed.
- 3) The park manager should establish a process to routinely change passwords for the safe to prevent unauthorized access and a monitoring schedule to routinely check cameras to make sure they are functioning as intended and recordings are viewed and safeguarded.

## CONCLUSION

The Monument Valley Tribal Park emergency action plan needs improvement to ensure the park is adequately prepared to respond to any potential emergency. Public safety at the park is an ongoing concern shared by emergency management and safety departments. Monument Valley Tribal Park could do more to alert park visitors about potential hazards on park premises and the need for safety precautions. Further, Monument Valley Tribal Park monitoring of tour operators for compliance with safety requirements needs to be strengthened. In addition, the high number of tour operators affects public safety. Lastly, the Monument Valley Tribal Park recordkeeping of employee safety credentials needs to be improved.

In addition, the park needs to strengthen its cash controls. Cash collection shortages and overages is an ongoing issue for the Monument Valley Tribal Park due to poor controls. Monument Valley Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft. Lastly, Monument Valley Tribal Park needs to strengthen security controls to properly safeguard cash revenues.

Overall, Monument Valley Tribal Park is one of the tribal parks that attracts a large number of visitors and generates significant amount of revenues for the Navajo Nation Parks and Recreation Department. These revenues are to ensure the Monument Valley Tribal Park continues to attract tourists from all parts of the world and to ensure a safe visit for all park visitors. Therefore, it is the responsibility of the Parks and Recreation Department and the Monument Valley Tribal Park to preserve, protect, and manage the tribal park for the benefit of the Navajo Nation.

## CLIENT RESPONSE



# THE NAVAJO NATION

Russell Begaye  
President

Jonathan Nez  
Vice-President



## MEMORANDUM

THE NAVAJO NATION  
PARKS & RECREATION  
DEPARTMENT

Martin L. Begaye  
Department Director

### ADMINISTRATION

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### PROGRAMS & PARKS

NAVAJO NATION  
FAIR OFFICE

ANTELOPE CANYON /  
LAKE POWELL TRIBAL  
PARK

BOWL CANYON  
RECREATIONAL AREA

FOUR CORNERS  
MONUMENT

LITTLE COLORADO  
RIVER OVERLOOK

MONUMENT VALLEY  
TRIBAL PARK

WINDOW ROCK  
SPORTS CENTER

WINDOW ROCK TRIBAL  
PARK

TSEYI DINE HERITAGE  
AREA

TO: Elizabeth Begay, CIA, CFE  
Auditor General  
Office of the Auditor General

FROM: Adeline Tohannie  
Adeline Tohannie, Park Manager  
Monument Valley Navajo Tribal Park

SUBJECT: Response to Audit

DATE: January 19, 2018

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We would like to thank the Auditor General and staff for the performance audit of Monument Valley Navajo Tribal Park.

Attached is our final response to the Audit of Monument Valley Navajo Tribal Parks and Recreation Department.

Thank you for your assistance and patience through this process.

I would like to thank again the Auditor General and staff for the performance audit of Monument Valley Navajo Tribal Park.

## **I. Emergency Preparedness**

The Auditor General identified six (6) findings. Below are the responses to each issue.

The first listed finding is that Monument Valley Navajo Tribal Park emergency action plan needs improvement to ensure the park is adequately prepared to respond to any potential emergency.

The Emergency Action Plan for Monument Valley Tribal Park can be improved. We will do a full assessment of the different types of emergencies that can occur in MVNTP. We are also arranging a meeting with all local emergency response services, such as MV Volunteer Fire Department, MV EMS, Kayenta Fire Department, Kayenta EMS, Kayenta Police Department, San Juan County Police Department, Navajo County Sheriff and local businesses. With this meeting being in place, it will help us determine who to contact and what actions to take. Annual Training will be implemented on the Emergency Action Plan.

The second listed finding is that Monument Valley Tribal Park public safety is an ongoing concern shared by emergency management and safety departments.

The 2018 tour permit application includes a request of an emergency action plan of the tour route they take and a tour guide driver listing with driver's license on file. A check off list form is in process and will be utilized biweekly unannounced by staff. We also will have a permanent Park Rangers (law enforcement) and Security available to help with enforcing these public safety concerns within the coming season.

The third listed finding is that Monument Valley Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions.

We are working on improving signages on the speed limits, cautions (curvy roads, no parking, heat wave advisory, and etc.), and having it to be a universal (picture) signage. We do an annual update on the brochures we have in MVNTP and in that update, we can include emergencies contact listing. Also, we will include the visitation scale on when the season is busy and not busy.

The fourth listed finding is that Monument Valley Tribal Park monitoring of tour operators for compliance with safety requirements needs to be strengthened.

MVNTP has a Valley Drive security check form in place to the public safety during business hours, it just needs to be utilized by the staff regularly. While doing the security check, there is always two staff on route for security. Also on the valley drive check, we do random tour guide checks with a check off list that includes: Driver's License, Vehicle Decal of MVNTP, Insurance, Vehicle Registration, updated License Plate Tags, First Aide, communication device (radio/cell phone) and Fire Extinguisher. MVNTP



will address the importance of record keeping/filing with all MVNTP staff to ensure the safety of the visitors.

The fifth listed finding is that Monument Valley Tribal Park is managing a high number of tour operators that affects public safety.

The high numbers of tour operators are correct. To control the high number, we are working on implementing a requirement to have a current business site lease permit for the Tour Companies. With that additional requirement, it will help the business (tour company) be in compliance with the Navajo Nation Land Department.

The sixth finding is that Monument Valley Tribal Park recordkeeping of employee safety credentials needs to be improved.

We are going to revisit all the safety credentials such as: First Aid & CPR (adult and infant), 1<sup>st</sup> Response, Wilderness Response, and Blood Borne Pathogens Training. Keep all employees updated and certified. Also find out more safety credentials that will be arranged with local emergencies responders service.

## **II. Cash Controls**

The Auditor General identified three (3) issues. Below are the responses to each issue.

The first listed finding is the cash collection shortages and overages are an ongoing issue for the Monument Valley Tribal Park due to poor controls.

To be accountable for the overages and shortages, there needs to be a system in place. This System we are trying to implement for MVNTP and other tribal parks is a "Point of Sale" System. The POS System is a type of live record keeping and is connected to the registers. It cannot be tampered or changed. Navajo Parks and Recreation is working on a contract with Crimson Tech (a POS System which NPS uses).

The second listed finding is that Monument Valley Tribal Park deposits of cash revenues need to be timely to minimize risk to exposure to theft.

We are doing a daily deposit for the generated revenue. Park Manager and Supervisors are given a night deposit key for Sundays deposit. When the POS ("point of sale") is implemented, it will be a requirement to do a daily deposit, which will keep supervisors on track.

The third listed finding is that Monument Valley Tribal Park needs to strengthen security controls to properly safeguard cash revenues.

MVNTP is working on getting permanent securities to be part of the safeguard/cashflow of the revenue. Security doors and cameras are updated. Also, working with fire alarm system and panic button to be in service with the current security company (Powerline Tech).

I would like to thank again the Auditor General and staff for the performance audit of Monument Valley Navajo Tribal Park.

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