



## **OFFICE OF THE AUDITOR GENERAL**

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### **The Navajo Nation**

#### **A Follow Up Review of the Tsaile/Wheatfields Chapter Cash Disbursements Activities Corrective Action Plan Implementation**

**Report No. 19-16  
March 2019**

**Performed by:  
Alfreda Lee, Senior Auditor  
Kimberly Jake, Associate Auditor**





March 29, 2019

Zane James, President  
**TSAILE/ WHEATFIELDS CHAPTER**  
P.O. Box C18  
Tsaile, AZ 86556

Dear Mr. James:

The Office of the Auditor General herewith transmits Audit Report No. 19-16, a Follow-up Review of the Tsaile/Wheatfields Chapter's Cash Disbursements Activities Corrective Action Plan Implementation.

**BACKGROUND**

In 2016, the Office of the Auditor General performed a special review of the Tsaile/Wheatfields Chapter Cash Disbursements Activities and issued audit report no. 17-11. A corrective action plan was developed by the Tsaile/Wheatfields Chapter in response to the special review. The audit report and corrective action plan were approved by the Budget and Finance Committee on June 6, 2017, per resolution no. BFJN-21-17.

**OBJECTIVE AND SCOPE**

The objective of the follow-up review is to determine whether the Tsaile/Wheatfields Chapter fully implemented its corrective action plan based on a five-month review period of October 1, 2018 to February 28, 2019. For the housing assistance, we reviewed disbursements from September 1, 2017 to December 31, 2018. Our review was based on inquiries, review of records and audit test work.

**SUMMARY**

The Tsaile/Wheatfields Chapter resolved four of the five prior audit findings. Of 21 corrective measures, the Tsaile/Wheatfields Chapter implemented 18 (86%) corrective measures, leaving 3 (14%) not implemented. See attached Exhibit A for the detailed explanation of the follow-up results.

**CONCLUSION**

Since Tsaile/Wheatfields Chapter reasonably resolved the audit findings, the Office of the Auditor General does not recommend sanctions on the Tsaile/Wheatfields Chapter and officials in accordance with 12.N.N.C. Section 9.

We wish to thank the Tsaile/Wheatfields Chapter staff and officials for assisting in this follow-up review.

Sincerely,

Helen Brown, Principal Auditor  
Delegated Auditor General

xc: Devon Begay, Vice-President  
Kuhyonre E. Nata'ani, Secretary/Treasurer  
Paula S. Begay, Community Services Coordinator  
Nelson S. Begaye, Council Delegate  
**TSAILE/WHEATFIELDS CHAPTER**  
Johnny Johnson, Department Manager II  
**ADMINISTRATIVE SERVICE CENTER/DCD**  
Chrono

**REVIEW RESULTS**  
**Tsaile/Wheatfields Chapter Cash Disbursements Activities**  
**Corrective Action Plan Implementation**  
**Review Period: October 01, 2018 to February 28, 2019**

<b>Audit Issues</b>	<b>Total # of Corrective Measures</b>	<b># of Corrective Measures Implemented</b>	<b># of Corrective Measures Not Implemented</b>	<b>Audit Issue Resolved?</b>	<b>Review Details</b>
1. Housing assistance supporting documents were not obtained for evaluation and ranking.	5	5	0	<b>Yes</b>	Attachment A
2. The Community Services Coordinator did not prepare performance reports after recipients were awarded housing assistance.	4	4	0	<b>Yes</b>	
3. Sales taxes collected were not reported and remitted in a timely manner.	3	2	1	<b>Yes</b>	
4. Complete information on the Chapter finances were not provided to the Chapter Membership.	6	6	0	<b>Yes</b>	
5. Expenditures were paid without supporting documentation.	3	1	2	<b>No</b>	Attachment B
<b>TOTAL:</b>	<b>21</b>	<b>18</b>	<b>3</b>	<b>4-Yes 1-No</b>	

WE DEEM CORRECTIVE MEASURES: **Implemented** where the department provided sufficient and appropriate evidence to support all elements of the implementation; and **Not Implemented** where evidence did not support meaningful movement towards implementation, and/or where no evidence was provided.

<p>◆ 2019 STATUS</p>	<p><b>Issue 1: Housing assistance supporting documents were not obtained for evaluation and ranking.</b> <b>RESOLVED</b></p>
<p>The Chapter assisted 24 housing assistance recipients with materials in fiscal year 2017 and 2018 totaling approximately \$46,937. However, the Chapter did not have any housing assistance expenditures within the audit scope. Nevertheless, we reviewed housing assistance in prior years to verify proper supporting documentation. For all 24 housing assistance recipients, the required documents were on file to justify their evaluation and ranking.</p>	
<p>◆ 2019 STATUS</p>	<p><b>Issue 2: The Community Services Coordinator did not prepare performance reports after recipients were awarded housing assistance.</b> <b>RESOLVED</b></p>
<p>The Chapter developed a performance report to include in the housing assistance packets. The Community Services Coordinator prepared a performance report for all 24 housing recipients and maintained these reports on file.</p>	
<p>◆ 2019 STATUS</p>	<p><b>Issue 3: Sales taxes collected were not reported and remitted in a timely manner.</b> <b>RESOLVED</b></p>
<p>The Chapter had one Navajo Nation Sales Tax return due within the scope of our review. The Office of the Navajo Tax Commission confirmed the Chapter to be in compliance with sales tax laws.</p>	
<p>◆ 2019 STATUS</p>	<p><b>Issue 4: Complete information on the Chapter finances were not provided to the Chapter Membership.</b> <b>RESOLVED</b></p>
<p>The Chapter had a chapter meeting each month from October 2018 to February 2019 and financial statements were presented at each duly called Chapter meeting. Further, the Secretary/Treasurer recorded the presentation in the meeting minutes with the vote count.</p>	

<p>◆ 2019 STATUS</p>	<p><b>Issue 1: Expenditures were paid without supporting documentation.</b> <b>NOT RESOLVED</b></p>
<p>The Corrective Action Plan required the Chapter to implement a checklist to use as a tool to ensure all supporting documents are attached to justify expenditures. However, of the 18 disbursements totaling \$24,089, no checklist was found for 10 (56%) disbursements.</p> <p>Since the checklist was not used consistently, the Chapter did not verify quotations were included in the voucher packets. Of the 18 disbursements, 11 (62%) had missing quotations in the voucher packets. Therefore, the Chapter authorized expenditures based on incomplete voucher packets. In addition, there was no evidence of periodic reviews by the Community Services Coordinator or officials to ensure the checklists were implemented for all disbursements. The risk that the Chapter will pay for goods or services without proper supporting documentation still exists.</p>	