

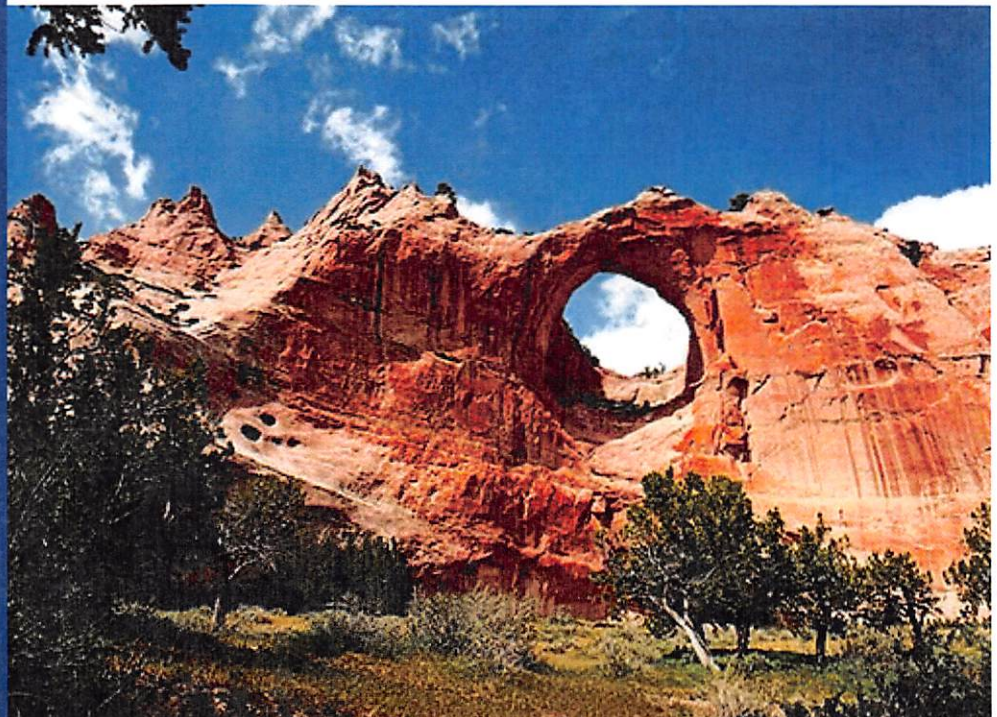
OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

Internal Audit of the Nageezi Chapter

**Report No. 21-24
September 2021**

**Performed by:
CARR, RIGGS & INGRAM, LLC**



September 30, 2021

Ervin Chavez, President
NAGEEZI CHAPTER
P.O. Box 100
Nageezi, NM 87037

Dear Mr. Chavez:

The Office of the Auditor General, in conjunction with Carr, Riggs & Ingram, LLC., herewith transmits audit report no. 21-24, Internal Audit of Nageezi Chapter. The audit objective was to determine whether the Chapter maintains adequate internal controls to safeguard assets, ensure reliability of its financial reporting, and comply with applicable laws, regulations, policies and procedures. During the 12-month audit period ending March 31, 2021, our review has revealed the Chapter needs to strengthen controls with activities addressed by its five-management system.

The auditors reported audit findings in the following areas:

- | | |
|--------------------------|--|
| 1. Financial statements | 8. Ledger reconciliation |
| 2. Professional services | 9. Check endorsements |
| 3. Capital assets | 10. Bank reconciliation |
| 4. Accounting system | 11. Reporting to Administrative Service Center |
| 5. Bank deposits | 12. Policies and procedures |
| 6. Cash receipts | 13. Disbursements |
| 7. Check signatories | 14. Recordkeeping |

Detailed explanation of all audit issues can be found in the body of the report. The audit report provides recommendations for remediation of the reported findings.

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

Sincerely,



Helen Brown, CFE, Principal Auditor
Delegated Auditor General

xc: Rory Jaques, Vice-President
Jessica Platero, Secretary/Treasurer
Danny Simpson, Community Services Coordinator
Mark Freeland, Council Delegate
NAGEEZI CHAPTER
Sonlatsa Jim-Martin, Department Manager II
Casey Begay, Senior Program & Projects Specialist
ADMINISTRATIVE SERVICE CENTER/DCD
Robert Lemmon, Partner
CARR, RIGGS & INGRAM, LLC
Chrono



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Office of the Auditor General of the Navajo Nation
The Nageezi Chapter

We have completed our internal audit of the Chapter Funds of the Nageezi Chapter of the Navajo Nation (the "Chapter"). An overview, resulting recommendations and audit scope are contained herein.

Our procedures were performed in conformity 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. In addition, our procedures were performed in conformity with *Statements on Standards for Consulting Services* of the American Institute of Certified Public Accountants, and did not constitute an audit in accordance with generally accepted auditing standards. Accordingly, we expressed no opinion on any of the items reviewed. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report is intended solely for the information and use of the Office of the Auditor General of the Navajo Nation and the Nageezi Chapter and is not intended to be and should not be used by anyone other than those specified parties. However, this information is a matter of public record and its distribution is not limited.

We would like to thank the Nageezi Chapter employees for their timely assistance and the Office of the Auditor General of the Navajo Nation for the opportunity to provide services to the Nageezi Chapter of the Navajo Nation.

Sincerely,

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC
CPAs and Advisors

Overview

The Nageezi Chapter of the Navajo Nation was officially established in 1955 and is a political subdivision of the Navajo Nation. The Chapter is considered a general-purpose local government for reporting purposes. The Chapter provides services to the local registered members in various areas including issues with power lines, waterlines, bathroom additions, minor home renovations, scholarships for students and emergency assistance during inclement weather.

The local chapter government is managed by the Community Services Coordinator (CSC) with administrative support provided by an Accounts Maintenance Specialist. Oversight is provided by the elected Chapter officials including the President, Vice President and Secretary/Treasurer. Additional oversight is provided by the Navajo Nation Division of Community Development/Administrative Service Centers.

The Chapter operates under a five-management system with policies and procedures addressing five key system components: fiscal management, personnel management, property management, records management and procurement.

Key Personnel

Key personnel from the Chapter that are involved in the operations and assisted in the internal audit are as follows:

<u>Name</u>	<u>Title</u>
Ervin Chavez	President
Rory Jacques	Vice President
Jessica Platero	Secretary/Treasurer
Danny Simpson	Community Services Coordinator
Chiffon Harrison	Accounts Maintenance Specialist

Objectives

The primary objectives of this internal audit conducted by Carr, Riggs & Ingram, LLC (CRI) for the year ended March 31, 2021 were as follows:

- Financial transactions are authorized, valid and properly recorded to permit the preparation of financial statements and other financial reports.
- Assets are safeguarded against loss or misuse.
- Chapter activities addressed by the five-management system comply with applicable policies, procedures, laws and regulations.

Approach

Our internal audit approach consisted of three phases:

1. Understanding and Documentation of the Process

During the first phase, we held an entrance conference with key personnel involved with the Chapter Funds function to discuss the scope and objectives of the internal audit work, obtain preliminary data, and establish working arrangements. We reviewed the policies and procedures provided and the Chapter meeting minutes for the twelve months within our audit period as well as other relevant resources. We gained an understanding and documented the overall processes involved in the receipt and disbursement of chapter funds. We conducted interviews with management and staff and documented their respective roles in the processes. We updated our understanding of the processes and relevant controls.

2. Detailed Testing

The purpose of this phase was to perform testing of procedures based on our understanding of the processes outlined to us and documented in the policies and procedures in order to meet the objectives stated above. Our detailed procedures included inquiry, walkthrough and testing of individual transactions for the significant areas listed below.

- Receipt of chapter funds
 - Endorsement of checks
 - Use of a two copy receipt system
 - The use of pre-numbered receipts
 - Proper and timely recording of receipts in the appropriate fund
 - Reconciliation of the cash receipts subledger to the general ledger in a proper and timely manner.
 - Deposit of chapter funds in a timely manner.
- Disbursement of chapter funds
 - Proper use of the general checking account
 - The use of pre-numbered checks
 - Proper signing of the checks
 - Allocation of disbursements to the proper funds
 - Proper completion and maintenance of the supporting documentation for disbursements
 - Proper and timely recording of disbursements
- Cash Reconciliations
 - Review of cash reconciliations to ensure mathematical accuracy, proper and timely completion and a search for stale or unusual reconciling items.
- Capital Assets
 - Review of the annual inventory of capital assets
 - Agreement of the annual inventory of capital assets to the list provided to the Navajo Nation Risk Management Department for insurance purposes.

3. Reporting

At the conclusion of our procedures, we documented our understanding of the Chapter Funds function and summarized our observations related to this function. The internal audit resulted in the following recommendations. Each recommendation contains a proposed rating, which indicates the relative importance of the related internal control issue to the audit area as a whole. A "1" rated recommendation is considered to be of most importance, while a "4" rated recommendation is of least importance.

Audit Methodology

See Attachment "A" for a list of procedures performed.

Observations Matrix

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
1	Five Management System Fiscal Policies and Procedures, Section VII.L.2.a requires the Chapter Manager (Community Services Coordinator) prepare the monthly financial statements.	The Community Services Coordinator (CSC) did not prepare the monthly financial statements for any of the twelve months ending March 31, 2021.	The Chapter hired a bookkeeper to prepare the monthly financial statements. The Chapter paid the bookkeeper \$9,024 during the audit period under review. These funds could have been used for other purposes for the betterment of the Chapter.	The CSC does not have user access to the accounting system and has not been trained on how to prepare the monthly financial statements.	The CSC should prepare the financial statements and the Secretary/Treasurer should review them and present them to the community during chapter meetings.
1	Five Management System Procurement Policies and Procedures, Section VI.B. requires a Professional Services Agreement based on the templates approved by the Navajo Nation Department of Justice for all professional services procured.	The Chapter does not have a written, formal Professional Services Agreement with their outside bookkeeper for the services procured.	Without a Professional Services Agreement in place, there is the potential for misunderstandings between the Chapter and the bookkeeper regarding the terms of the services or each parties' responsibilities and this could potentially lead to disputes.	The Chapter did not follow the policies and procedures when engaging with the bookkeeper.	The Chapter should obtain a signed Professional Services Agreement for any outside services rendered and any agreements should be approved through the Navajo Nation review process in compliance with the Navajo Nation's Procurement Policies and Procedures.

Observations Matrix (Continued)

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
1	Five Management System Fiscal Policies and Procedures, Section VII.F.1 requires the Chapter maintain accurate and reliable records on all capital assets including a description of the asset, the expected lifetime, depreciation records, identification numbers, cost of the asset, date acquired, location and custodial responsibility.	The Chapter is not maintaining accurate and reliable records of all capital assets.	During our cash disbursements testing, we noted the three capital assets purchases tested were all over the \$1,000 threshold but were not identified on the capital asset inventory listing. This could lead to a misstatement of the financial statements for the Chapter.	The Chapter is not keeping a proper record of the capital assets including depreciation, lives, dates, cost, and other information that is imperative to this task. This is due to the lack of training of the AMS related to the proper recording of capital assets.	All items purchased having a value of more than \$1,000 and with an estimated life of one year or more should be included in the capital asset inventory and properly depreciated by the Accounts Maintenance Specialist (AMS).
1	Five Management System Fiscal Policies and Procedures, Section V.A.3 states the Chapter shall have a system of internal control procedures to ensure funds are used properly.	A user access report from the Chapter's accounting system could not be provided by Chapter staff. The AMS and the CSC verbally confirmed that the AMS and the receptionist are the only positions with access.	User access cannot be verified and therefore it is possible that individuals may have excessive or insufficient user access to the accounting system in relation to their roles in the Chapter.	The CSC was unable to provide us with an accurate detail of all employees who are assigned user access to their accounting system, as the CSC does not have user access to the system or training on how to utilize it.	The CSC should identify all individuals with user access. Then the CSC should review the needs of Chapter staff and officials to ensure access is representative of their duties.

Observations Matrix (Continued)

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
2	Five Management System Fiscal Policies and Procedures, Section VII.A.2.g requires the Administrative Assistant (Accounts Maintenance Specialist) to ensure the deposit amount reconciles with the total cash receipts in the cash receipts journal and resolve any variances.	The deposit slips are not being reconciled to the cash receipts journal regularly.	Two cash receipts, of the 20 cash receipts tested, were incorrectly recorded on the cash receipts journal. The total posted incorrectly was \$21. We did not observe evidence that a correcting entry was prepared to ensure the cash receipts subledger agrees to the deposit slips or to the general ledger which led to a misstatement of the financial statements for the Chapter.	The deposit slips are being prepared as is the cash receipts journal, however, the deposit slips completed for the bank are not being reconciled to the cash receipts journal prior to deposit.	The AMS should count all cash upon receipt and ensure the deposit slip matches the cash receipts journal. The cash receipts journal should be reconciled to the general ledger monthly by the CSC.
2	Five Management System Fiscal Policies and Procedures, Section VII.A.2.c requires the Administrative Assistant (Accounts Maintenance Specialist) to record all cash receipts in the cash receipts journal at the end of each day.	The AMS is not recording the cash receipts upon receipt which would be daily. Some are held onto for several days before they are recorded.	Of the 20 cash receipts tested, three were not recorded in a timely manner. These cash receipts totaled \$2,700. This could lead to incomplete financial statements for the Chapter.	Cash receipts are not being recorded daily in the cash receipts journal.	The AMS should record all cash received in the cash receipts journal daily.

Observations Matrix (Continued)

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
2	Five Management System Fiscal Policies and Procedures, Section VII.B.1.c defines the signatories on the general checking account to be the Chapter Manager, Secretary/Treasurer, Chapter President and Vice-President.	Contrary to the Five Management System, the AMS is a signatory on the general checking account. She co-signed two checks of the 40 disbursements tested.	There are 5 signatories on the general checking account including the AMS.	The AMS was added as a signatory in 2020 and was never removed.	The AMS should be removed as a signatory on the general checking account.
2	Five Management System Fiscal Policies and Procedures, Section VII.F.1 requires the Chapter maintain accurate and reliable records on all capital assets including a description of the asset, the expected lifetime, depreciation records, identification numbers, cost of the asset, date acquired, location and custodial responsibility.	The AMS is not maintaining accurate and reliable records of all capital assets.	The AMS is not recording their capital assets on their financial records. In addition, the AMS is not maintaining the expected lifetime or related depreciation. At approximately \$320,000, the capital assets are material to the financial statements.	The AMS is not keeping a proper record of the capital assets including depreciation, lives, dates, cost, and other information that are imperative to this task. This is due to lack of training of the AMS related to the proper recording of capital assets.	The AMS should properly record their capital assets at historical cost, begin to depreciate them and include them on their financials. If the historical cost is unknown, an appraisal should be obtained by the CSC. An annual calculation of depreciation would be sufficient.

Observations Matrix (Continued)

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
2	Five Management System Fiscal Policies and Procedures, Section VII.B.2.g requires a substitute co-signer when a check is written to a primary signatory.	The Chapter is allowing a check to be signed by the person it is written to rather than requiring a substitute co-signer.	Five disbursements, of 40 tested, were written to and signed by the same primary signatory. Both the CSC and the Chapter President signed checks made out to themselves. This reduces the effectiveness of the controls in place and increases the risk of potential fraud or error.	The Chapter is not properly following the policies and procedures intended to assist with segregation of duties surrounding the cash account.	The Chapter staff and officials should comply with the fiscal policies and procedures and contact a substitute co-signer when a check is written to a primary signatory.
2	Five Management System Fiscal Policies and Procedures, Section VII.A.1.e requires the handling of all cash receipts to be segregated to ensure that no one employee is in a position to solely collect, deposit, safeguard and reconcile cash receipts.	The processing of cash receipts does not allow an audit trail to ensure no employee is in a position to solely collect, deposit, safeguard and reconcile cash receipts.	The AMS completes the entry of cash receipts and prepares the deposit slips. The CSC reviews the cash receipts postings. However, there is no visual sign off of the subledger or the deposit slips. This visual sign off would provide documentation of the review performed.	The AMS is not signing off on the deposit slip and the Community Services Coordinator is not signing off on the cash receipts postings upon his review.	The AMS should initial the deposit slip as well as the cash subledger and the CSC should initial the cash subledger indicating his review of supporting documents in order to provide an audit trail of work completed and to ensure segregation of duties.

Observations Matrix (Continued)

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
2	Five Management System Fiscal Policies and Procedures, Section VII.A.2.j requires the Chapter Manager (Community Services Coordinator) reconcile the cash receipts records to deposits and actual cash by comparing receipts and deposits. In addition, Section VII.B.2.h requires all disbursement transactions to be reconciled on a monthly basis.	The subledgers for cash receipts and disbursements are not being reconciled to the general ledger on a monthly basis.	Per discussion with the AMS and the CSC, subledgers are only reconciled to the general ledger as needed. This could lead to undetected and uncorrected errors in the financial statements of the Chapter	The cash receipts and disbursements subledgers are reconciled to the general ledger only if a need is seen to do so. The CSC does not have access to the accounting software and has not been trained on how to perform these reconciliations.	The CSC should abide by the fiscal policies and procedures and reconcile subledgers to the general ledger on a monthly basis.
3	Five Management System Fiscal Policies and Procedures, Section VII.A.1.b requires all checks and money orders received to be endorsed "for deposit only" immediately upon receipt.	Checks and money orders received are not being endorsed "for deposit only" upon receipt or prior to deposit.	Per discussion with the AMS and the CSC, checks are not endorsed when they are received or prior to deposit which could result in potential fraud or theft.	The AMS is not using the "for deposit only" stamp to ensure checks are deposited correctly.	All checks and money orders received should be endorsed with the "for deposit only" stamp by the AMS when received as stated in the applicable policies and procedures.

Observations Matrix (Continued)

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
3	Five Management System Fiscal Policies and Procedures, Section VII.C.2.g requires the Administrative Assistant (Accounts Maintenance Specialist) to sign and date the bank reconciliation.	The reconciliation to the bank statement is not being initialed or signed off on to indicate a reconciliation was prepared and reviewed in accordance with the Chapter's policies.	The bank reconciliations are being prepared in a timely manner, however, there are no visual sign offs on the reconciliation in order for us to verify the preparer or the reviewer. This visual sign off would provide documentation of the proper segregation of duties and reduce the risk of potential fraud or error.	The AMS is not signing the bank reconciliation upon preparation and the CSC is not signing the reconciliation to indicate his review.	The AMS should initial or sign the bank reconciliations she prepares and the CSC should also sign or initial indicating his review of the reconciliations in order to provide the proof of segregation of duties.
3	Five Management System Fiscal Policies and Procedures, Section VII.F.2.i requires the Chapter identify capital assets by fund source.	The Chapter is not identifying their capital asset inventory by fund source.	Chapter capital assets are not properly tracked by fund source in accordance with the Chapter's policies and procedures which could lead to a misallocation of funds.	The AMS is not keeping a proper record of the capital assets including identifying them by fund source. This is due to lack of training of the AMS related to the proper recording of capital assets.	The AMS should identify the Chapter's capital assets by fund on the inventory in accordance with their policies and procedures.

Observations Matrix (Continued)

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
3	The Local Governance Act has a capital threshold of \$1,000.	The Chapter is recording assets that are \$1,000 and lower as capital assets in the inventory listing.	There are 63 items on the most recent capital assets inventory listing that are below the \$1,000 capitalization threshold. This could cause a misstatement of the financial statements of the Chapter.	The AMS is not keeping a proper record of the capital assets. This is due to lack of training of the AMS related to the proper recording of capital assets.	The Chapter should capitalize and depreciate assets purchased with values greater than the \$1,000 threshold. Lower value items should be expensed as incurred.
3	The Navajo Nation Budget Instructions Manual, Section V.E requires all financial and accounting reports to be submitted on a monthly and quarterly basis to the Administrative Service Center (ASC) to ensure fiscal compliance and performance.	Monthly and quarterly financial and accounting reports have not been submitted to the ASC for the twelve months ending March 31, 2021.	The Chapter has not submitted their financial and accounting reports to the ASC for the twelve months ending March 31, 2021.	The Chapter has not been in contact with their ASC in order to know what is expected of them.	The Chapter should establish a relationship with the ASC and begin reporting their financial and accounting records to them on a monthly and quarterly basis in accordance with the Navajo Nation Budget Instructions Manual.
3	Five Management System Fiscal Policies and Procedures, Section VII.A.2.h requires the Chapter Manager (Community Services Coordinator) deposit all monies within ten days of receipt.	Rather than depositing funds within ten days of receipt, the Chapter held some funds in the office for more than 30 days.	Seven, of the 20 cash receipts tested, were not deposited within 10 days of receipt. These untimely deposits totaled \$2,876. This could result in potential fraud or theft.	The AMS and CSC are not following the processes put in place by the policies and procedures in order to ensure money received is deposited within ten days of receipt.	All cash receipts should be recorded upon receipt by the AMS and deposited within 10 days of receipt by the CSC in accordance with the Chapter's policies and procedures.

Observations Matrix (Continued)

Ratings: 1=Most Important, 2=Second Priority, 3=Third Priority, 4=Least Important

Rating	Criteria	Condition	Effect	Cause	Recommendations
4	As a best practice, all of the Five Management System policies and procedures as well as any internal Nageezi Chapter policies should be reviewed and updated annually. Currently, this is not a requirement in any of the policies and procedures.	The Chapter does not review their internal policies and procedures or those provided by the Navajo Nation on a regular basis.	Although this step is not a requirement in any of the policies or procedures reviewed, as a best practice, it is a sound way to ensure all policies and procedures are current and steps continue to be relevant.	The Chapter's policies and procedures do not provide Chapter staff and officials with the requirement to review policies and procedures annually.	The Chapter should review their internal policies and procedures annually. In addition, the Chapter officials should request, via memorandum, the Five Management System policies and procedures be reviewed and amended by the Navajo Nation, specifically the Department of Justice.
4	Five Management System Fiscal Policies and Procedures, Section VII.B.2.a requires the Administrative Assistant (Accounts Maintenance Specialist) prepare a Fund Approval Form indicating the date, amount, check number, account number and fund availability.	The Chapter is not properly completing the Fund Approval Form for all disbursements in compliance with the Fiscal Policies and Procedures.	One Fund Approval Form, of 40 tested, had the wrong check number noted on it.	The Fund Approval Forms are not being subjected to sufficient review procedures in order to catch and resolve errors.	All Fund Approval Forms should be reviewed by the CSC and tied to the supporting documentation to avoid errors.

Attachment A

Audit Methodology

- Obtain and review a copy of the Chapter's policies and procedures to ensure they were documented in writing and approved by the Chapter and the Navajo Nation in the last year.
- Obtain a list of all cash receipts for the period audited. Select a sample of receipts to review.
- For cash receipts selected ensure the following:
 - The preparer used a two copy receipt to document the receipt.
 - The preparer initialed the copy of the receipt.
 - The cash receipt forms are pre-numbered.
 - The cash receipt was recorded in a timely manner.
 - The cash receipt was properly recorded.
 - The cash receipt agrees to the cash receipts journal.
 - The cash receipt is deposited within ten days of receipt.
 - The deposit slip is reviewed and approved by the Community Services Coordinator/Chapter Manager.
 - The cash receipt is recorded in the proper fund.
 - The Community Services Coordinator/Chapter Manager reconciles all the cash receipts to the cash receipts journal and to the general ledger in a timely manner.
- Obtain a list of all cash disbursements for the period audited. Select a sample of disbursements to review.
- For cash disbursements selected ensure the following:
 - Ensure all disbursements are from the Chapter's general checking account.
 - All checks issued are signed by the Chapter Manager/Community Services Coordinator and the Chapter Secretary/Treasurer. If not, obtain the justification memo.
 - Ensure all checks are pre-numbered.
 - Disbursements are expensed to the proper account.
 - Disbursement support is marked "paid" along with the date and the amount.
 - Disbursement is budgeted for.
 - Disbursements are paid timely and receiving any discounts offered.
 - A fund approval form is completed and attached to supporting documentation.
 - All supporting source documents are maintained.
 - All disbursements are properly recorded in the subledger.
- Additional steps for payroll disbursements:
 - The attendance sheet is signed daily by the employee.
 - The Chapter Manager/Community Services Coordinator signed the timesheet for each disbursement.
- Additional steps for travel disbursements:
 - Report submitted subsequent to travel detailing the expenses.
 - Travel form completed.
 - Insurance and driver's license was obtained from the individual travelling.
 - Travel authorization was approved by the Chapter Manager/Community Services Coordinator.

- Any advances for travel are not more than 80% of estimated travel costs.
- If there were any overpayments, were they reimbursed to the Chapter?
- Additional steps for financial assistance disbursements:
 - Is the recipient a registered member of the Chapter?
 - Is the assistance under the ceiling limit?
 - Was the assistance payable to the vendor?
 - Was the family provided assistance more than once in the previous twelve months?
- Additional steps for capital asset disbursements:
 - Three verbal quotes were provided for disbursements between \$0.00 and \$2,500.
 - Three written quotes were obtained for disbursements \$2,501 to \$50,000.
- Additional steps for recurring disbursements:
 - Approved chapter requisition form completed.
- Additional steps for the use of purchase orders:
 - Three verbal quotes were provided for purchases.
 - Chapter purchase requisition form completed.
- Additional steps for emergency funds disbursed:
 - Emergency fund approval form completed?
 - Declaration of emergency made?
 - Chapter approval of emergency fund disbursement?
- Obtain the physical inventory of capital assets.
- Obtain a copy of the insurance policy for the safeguarding of capital assets. Ensure all inventoried capital assets are included on the insurance policy and that the policy is current.
- Review a sample of bank reconciliations.
 - Ensure they are completed timely and signed off on by both the preparer and the reviewer.
 - Review for stale items, mathematical accuracy, agreement to the general ledger and applicable bank statements.

CLIENT RESPONSE



**NAGEEZI CHAPTER
EASTERN NAVAJO AGENCY
DISTRICT 19**

Jonathan Nez, Navajo Nation President

Myron Lizer, Navajo Nation Vice-President

September 22, 2021

Navajo Nation Office of Auditor General
Post Office Box 708
Window Rock, AZ 86515



RE: Internal Audit of Nageezi Chapter

Dear Sir or Madam:

Nageezi Chapter is in the receipt of the final draft of the Internal Audit – Chapter Funds Report for Nageezi Chapter, in which the Internal Audit – Chapter Funds was conducted by Carr, Riggs & Ingram. LLC (CRI). Nageezi Chapter agrees to the audit findings and will begin the process of the Corrective Action Plan based on the recommendation made by the Navajo Nation Office of Auditor General within thirty (30) days.

If you have any questions, please feel free to contact the Nageezi Chapter Administration.

Respectfully Submitted,

Danny Simpson
Community Services Coordinator

CONCURRENCE:

Ervin Chavez, Chapter President

CC: File