



OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A Follow-Up Review of the Oljato Chapter Corrective Action Plan Implementation

**Report No. 21-14
June 2021**

**Performed by:
Genalle Benally, Associate Auditor
Karen Briscoe, Principal Auditor**



June 16, 2021

Willis Begay, President
OLJATO CHAPTER
P.O. Box 360455
Monument Valley, UT 84536

Dear Mr. Begay:

The Office of the Auditor General herewith transmits audit report no. 21-14, a Follow-up Review of the Oljato Chapter Corrective Action Plan Implementation.

BACKGROUND

In 2019, the Office of the Auditor General performed a Special Review of the Oljato Chapter and issued audit report no. 19-23. A corrective action plan was developed by the Oljato Chapter in response to the special review. The audit report and corrective action plan (CAP) were approved by the Budget and Finance Committee on December 3, 2019 per resolution no. BFD-56-19.

OBJECTIVE AND SCOPE

The objective of the follow-up review is to determine whether the Oljato Chapter fully implemented its corrective action plan based on a six-month review period of October 1, 2020 to March 31, 2021.

SUMMARY

Of the 16 corrective measures, the Oljato Chapter implemented 2 (12%) corrective measures, leaving 14 (88%) not fully implemented. See Exhibit A for the details of our review results.

CONCLUSION

Since the Oljato Chapter did not fully implement its corrective action plan, the findings from the 2019 audit remain unresolved. Therefore, the Office of the Auditor General recommends sanctions be imposed on the Oljato Chapter and officials in accordance with 12 N.N.C. Section 9 (B) and (C).

We thank the Oljato Chapter staff and officials for assisting in this follow-up review.

Sincerely,



Helen Brown, CFE, Principal Auditor
Delegated Auditor General

xc: Dr. Tommy Rock, Vice-President
Marietta Bedonie, Secretary/Treasurer
Herman Daniels Jr., Council Delegate
OLJATO CHAPTER
Sonlatsa Jim-Martin, Department Manager II
Calvin Tsosie, Senior Program & Projects Specialist
ADMINISTRATIVE SERVICES CENTER/DCD
Chrono

REVIEW RESULTS
Oljato Chapter Corrective Action Plan Implementation
Review Period: October 1, 2020 to March 31, 2021

Audit Issues	Total # of Corrective Measures	# of Corrective Measures Implemented	# of Corrective Measures Not Implemented	Audit Issue Resolved?	Review Details
1. Travel requests and expense reimbursements are not properly approved	13	2	11	No	See Attachment A
2. Controls over chapter property need improvement to ensure property is reliable, adequately identified, and well documented.	3	0	3	No	
TOTAL:	16	2	14	0 - Yes 2 - No	

WE DEEM CORRECTIVE MEASURES: **Implemented** where the Chapter 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>◆ 2021 STATUS</p>	<p>Travel requests and expense reimbursements are not properly approved. NOT RESOLVED</p>
<p>Controls over travel activities remain weak. For the six-month review period ending March 31, 2021, there were no travel expenditures. To verify the implementation of the applicable corrective measures for this finding, we expanded our audit scope to identify travel expenditures beginning April 2020. Accordingly, nine (9) travel expenditures totaling \$1,168 were identified. There were no travel expenditures for the Accounts Maintenance Specialist (AMS) and Community Services Coordinator (CSC).</p> <p>Of the nine (9) expenditures, six (6) were travel reimbursements paid to volunteers during the COVID pandemic for delivering supplies to community members. To justify these reimbursements to the volunteers the Chapter applied the Five Management System travel policies and procedures for proper support documentation and approval. However, the following discrepancies were noted:</p> <ul style="list-style-type: none"> • 1 travel voucher file was missing. • 8 travel authorizations were prepared and approved by the CSC instead of the AMS. • 8 travel authorizations were incomplete and not approved prior to travel. • 1 traveler was approved for travel reimbursement beyond the authorized travel dates. • 1 travel reimbursement was missing a trip report. • 5 travel reimbursements had expense reports, trip reports, and mileage reports that were prepared by the CSC on behalf of the traveler. The CSC also signed some of these documents for the traveler and approved the documents as the supervisor. <p>Although the corrective measures agreed to by the Chapter required segregation of duties, the current travel process showed the CSC had continued to perform all key procedures including the preparation and approval of travel documents on behalf of the travelers. This practice does not facilitate proper accountability of chapter funds.</p> <p>Lastly, since there were no travel activities specifically for the CSC and no travel advances issued during the audit scope, four (4) corrective actions could not be verified as implemented. However, considering the discrepancies noted with the sample of nine (9) travel expenditures, there is still a high risk that travel funds could be misused for unauthorized travel activities or for travel expenses unrelated to chapter business.</p>	

<p>2021 STATUS</p>	<p>Controls over chapter property need improvement to ensure property is reliable, adequately identified, and well documented. NOT RESOLVED</p>
<p>Controls over property have not been strengthened despite a corrective action plan. The last known annual inventory was completed in 2019 by temporary employees rather than the Accounts Maintenance Specialist as noted in the corrective action plan. Further, there was no review of the inventory by the Community Services Coordinator to ensure the physical inventory was done correctly and all property items were identified and accounted for. As a result, the property inventory was deemed incomplete as pertinent property information such as property numbers, acquisition dates, acquisition costs, and condition was missing.</p> <p>We selected 45 property items to verify they were affixed with property identification tags and of this number, four (4) items were missing identification tags. In addition, the identification numbers found on 11 property items were not recorded on the property inventory. The corrective action plan required the Community Services Coordinator and the Vice President to verify all property items were tagged and the property inventory was complete but based on our audit work, this was not done.</p> <p>Without sufficient controls, the risk remains that the Chapter cannot fully account for its property and any items stolen or destroyed that could result in a financial loss to the Chapter would not be readily detected.</p>	