



OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A Follow-up Review of the Lake Powell Tribal Park Corrective Action Plan Implementation

**Report No. 23-05
December 2022**

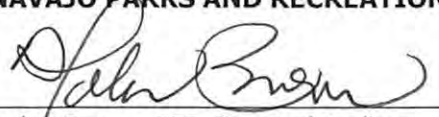
**Performed by:
HEINFELD, MEECH & CO., P.C.**



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

TO : Effie Yazzie, Park Manager
LAKE POWELL TRIBAL PARK

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

FROM : 
Helen Brown, CFE, Principal Auditor
Delegated Auditor General
OFFICE OF THE AUDITOR GENERAL

DATE : December 30, 2022

SUBJECT : Audit Report No. 23-05, A Follow-up Review of the Lake Powell Tribal Park
Corrective Action Plan Implementation

BACKGROUND

In 2018, the Office of the Auditor General finalized an internal audit over the Lake Powell Tribal Park. The internal audit was performed to determine if the park personnel and tour operators are prepared to respond to an emergency within the park and whether cash collected by the park was properly accounted for, deposited daily, and safeguarded. The internal audit report number 18-15 was issued March 8, 2018, and Lake Powell Tribal Park developed a corrective action plan (CAP) to address the audit findings and to continue to improve the safety of its park for the visitors and to continue to improve the cash handling procedures within the park. The internal audit report and CAP were approved on September 18, 2018 with resolution BFS-39-18 by the Budget and Finance Committee of the Navajo Nation Council.

OBJECTIVE AND SCOPE

The objective of the follow-up review is to determine the status of the corrective action plan implementation based on a nine-month review period of October 1, 2021 through June 30, 2022. The review consisted primarily of inquiries of Lake Powell Tribal Park and Navajo Parks and Recreation Department personnel and also the examination of documents and records provided by Lake Powell Tribal Park. Heinfeld, Meech & Co., was engaged to perform the follow-up review of the Lake Powell Tribal Park corrective action plan implementation.

SUMMARY

Of 25 total corrective measures, the Lake Powell Tribal Park implemented 18 (72%) corrective measures, with the remaining 7 (28%) not implemented. See attached Exhibit A for the detailed explanation of the follow-up results.

CONCLUSION

Although the Lake Powell Tribal Park did not fully implement the corrective action plan, the corrective measures implemented to date allowed for the reasonable resolution of the audit findings. Therefore, we do not recommend sanctions to be imposed on the Lake Powell Tribal Park.

We thank the Lake Powell Tribal Park for assisting in this follow-up review.

xc: Mike Halona, Division Director
DIVISION OF NATURAL RESOURCES
Sara Kirk, Partner
HEINFELD, MEECH & CO.
Chrono

December 30, 2022

Office of the Auditor General of the Navajo Nation
P.O. Box 708
Window Rock, AZ 86515

We have completed our engagement to perform a follow-up review of the Lake Powell Tribal Park corrective action plan implementation and have provided the results in this report for your consideration. Our review consisted primarily of inquiries of Lake Powell Tribal Park and Navajo Parks and Recreation Department personnel and also the examination of documents provided by Lake Powell Tribal Park personnel. The accompanying report includes the following:

- A table summarizing the number of audit issues that are resolved or not resolved
- Narrative explanations on the status of the corrective measures
- An overall conclusion on whether Lake Powell Tribal Park resolved issues and made improvements through the implementation of its corrective action plan

To the extent we have performed our review using data and information obtained from the Lake Powell Tribal Park we have relied upon such information to be accurate, and no assurances are intended, and no representation or warranties are made with respect thereto or the use made therein.

We would like to thank everyone at the Office of the Auditor General and the Lake Powell Tribal Park for their assistance and cooperation.

Sincerely,

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona

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Executive Summary

Background

The Lake Powell Tribal Park was established in 1962 and is located in the western part of the Navajo Nation near Page, Arizona. The park is open year round and is considered the most visited park due to the popular canyons referred to as the Upper and Lower Antelope Canyons. Guided walking and driving tours of the canyons are the most popular attractions.

The Lake Powell Tribal Park operates under the Navajo Parks and Recreation Department (NPRD) along with six (6) other tribal parks on the Navajo Nation. Each park operates under the Park Manager who in turn reports directly to the Department Manager of the Parks and Recreation Department. The Parks and Recreation Department operates within the Division of Natural Resources.

In 2018, the Office of the Auditor General of the Navajo Nation finalized an internal audit over the Lake Powell Tribal Park. The internal audit was performed to determine if the park personnel and tour operators are prepared to respond to an emergency within the park and whether cash collected by the park was properly accounted for, deposited daily, and safeguarded. Internal audit report number 18-15 resulted in eight (8) findings with four (4) of the findings related to safety and four (4) of the findings related to cash collection. As a result of the audit, the Lake Powell Tribal Park developed a corrective action plan (CAP) to address the audit findings and to continue to improve the safety of its park for the visitors and to continue to improve the cash handling procedures within the park. The Lake Powell Tribal Park internal audit report and CAP were approved on September 18, 2018 with resolution BFS-39-18 by the Budget and Finance Committee of the Navajo Nation Council.

HeinfeldMeech was awarded a proposal issued by the Office of the Auditor General of the Navajo Nation to conduct the follow-up review and issue a written follow-up review report. The Office of the Auditor General commenced with this follow-up review based on the tribal park's claim that it had implemented its corrective action plan.

Objective and Scope

The objective of the follow-up review is to determine the status of the corrective action plan implementation based on a 9-month review period of October 1, 2021 through June 30, 2022. The review consisted primarily of inquiries of Lake Powell Tribal Park and Navajo Parks and Recreation Department personnel and also the examination of documents and records provided by Lake Powell Tribal Park.

HeinfeldMeech would like to express appreciation to Lake Powell Tribal Park and the Navajo Parks and Recreation Department personnel for their cooperation and assistance through the performance of this review.

Summary

Lake Powell Tribal Park did not fully implement the corrective action plan. As outlined in *Exhibit A – Review Results* of this report, of the 25 corrective measures identified in the corrective action plan, Lake Powell Tribal Park implemented 18 (72%), with the remaining 7 (28%) not implemented.

Conclusion

Although the Lake Powell Tribal Park did not implement all corrective measures, the measures resolved allowed for the reasonable resolution of the audit findings. Therefore, we do not recommend sanctions to be imposed on the Lake Powell Tribal Park.

Exhibit A - Review Results

Lake Powell Tribal Park Corrective Action Plan Implementation Review Period: October 1, 2021 to June 30, 2022

	Audit Issues	Total of Corrective Measures	# of Corrective Measures Resolved	# of Corrective Measures Not Resolved	Audit Issue Resolved?	Review Details
1	Lake Powell Tribal Park emergency action plan needs to be improved to ensure the park is adequately prepared to respond to any potential emergency	2	2	0	Yes	Attachment A
2	Lake Powell Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions	2	1	1	Yes	
3	Lake Powell Tribal Park does not monitor tour operators for compliance with safety requirements	7	6	1	Yes	
4	Lake Powell Tribal Park public safety is an ongoing concern shared by emergency management and safety departments	4	4	0	Yes	
5	Lake Powell Tribal Park needs to strengthen its cash controls	2	2	0	Yes	
6	Lake Powell Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft	4	2	2	No	Attachment B
7	Lake Powell Tribal Park needs to strengthen security controls to properly safeguard cash revenues	2	1	1	No	
8	Lake Powell Tribal Park does not verify the entrance fees collected by tour operators	2	0	2	No	
Total		25	18	7	5 - Yes 3 - No	

Corrective Measure Evaluation Criteria

Implemented: Lake Powell Tribal Park provided sufficient and appropriate evidence to support all elements of the implementation of the corrective measure.

Not Implemented: Lake Powell Tribal Park did not provide evidence to support meaningful movement towards implementation, and/or where no evidence was provided.

Attachment A

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
1	Lake Powell Tribal Park emergency action plan needs to be improved to ensure the park is adequately prepared to respond to any potential emergency	Resolved

Lake Powell Tribal Park maintained effective working relationships with Navajo Occupational Safety and Health Administration (NOSHA) and Coconino County in an effort to continue to improve safety for park employees and visitors. Documentation was reviewed that site inspections were performed and reports issued by NOSHA to the park on four separate instances following the issuance of the internal audit report as follows:

- May 8th, 2019 – Mystical Antelope Canyon stairs and handrails
- September 12th, 2019 – Upper Antelope Canyon
- April 7th, 2021 – Upper Antelope Canyon
- September 9th, 2021 – Waterholes Canyon

The park made substantial progress in implementing the recommendations from the site inspections as follows:

- Additional signage was installed throughout the park
- Safer ladders/stairwells were installed leading into the canyons

The park most recently updated the Emergency Action Plan on January 31st, 2019. The plan included an update to address which staff have been trained to ensure orderly emergency evacuations and identified the employees designated as first responders to incidents within the park until an emergency official arrives as identified in the inspections.

Documentation was provided by the park of collaboration with the Search and Rescue Coordinator at the Coconino County Sheriff's Office. Further, the Upper and Lower Antelope Canyon Safety and Emergency Evacuation Plan was most recently updated on September 19th, 2022.

The park required all employees and tour operators to be CPR certified. The CPR certifications of employees and tour operators were verified during the review site visit.

As a result of the above efforts, the issue was deemed resolved.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
2	Lake Powell Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions	Resolved

The Lake Powell Tribal Park installed new signage in the major attraction areas. Additionally, a sign inventory was maintained of the type of sign, quantity, and location within the park.

The tribal park also created two new brochures for distribution as follows:

- Waterholes Canyon brochure noting specific hazards related to the rappelling canyon
- General brochure noting park rules/regulations, safety warnings, and emergency contact information

The navajonationparks.org website includes information on:

- Tribal Park Rules and Regulations
- Hiking & Camping Rules
- Areas of Trails and Routes
- Emergency Contact Information

Visitors of Lake Powell Tribal Park are required to book a guided tour through a tour operator. Links to the individual tour operators can be accessed from the park website. Park personnel are in constant communication with tour operators regarding weather or other issues that would impact the ability for the park to open to visitors on any given day via the fee booth, email, or phone calls. The tour operators update their websites regarding closures based on communication from the Park Manager.

As a result of the above efforts, this audit issue was deemed reasonably resolved.

To achieve full resolution of the finding, the park should coordinate efforts with the Parks and Recreation Department to make sure the park is being monitored on providing sufficient safety information.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
3	Lake Powell Tribal Park does not monitor tour operators for compliance with safety requirements	Resolved

To resolve this issue, the Park Manager provided recommendations for updates to the Navajo Nation Tour & Guide Service Act to the Parks and Recreation Department on February 14, 2019. A revised Navajo Nation Tour & Guide Service Act Rules and Regulations document was completed October 18, 2021.

At the time of the review, the park had 16 active tour operators. Five tour operators were sampled to verify compliance with requirements outlined in the Navajo Nation Tour & Guide Service Act Rules and Regulations. Required documentation was on file for all 5 (100%) of tour operators, with the exception of one item, which was waived as a result of the pandemic park closures. A checklist was developed to monitor park tour operators for compliance with safety regulations.

Park personnel did not conduct quarterly meetings with tour operators during the review period as noted in the corrective measure due to pandemic restrictions. Phone call or email communications were utilized in lieu of in person meetings. We reviewed emails sent to tour operators containing general information or specific information about incidents that occurred during a visitor tour. We noted the Park Manager issued written or verbal warnings to tour operators for violations, none of which rose to the level of Table of Penalties enforcement.

The Parks and Recreation Department currently employs 4 Park Rangers, 1 Park Ranger recruit, and 1 Park Ranger Sergeant. Park Rangers were assigned to duty at the Navajo Tribal Parks on a rotational basis by the Ranger Sergeant. Park Rangers were available to the park to assist if tour operator issues arise and to enforce compliance.

As a result of the above efforts, this audit issue was deemed reasonably resolved.

To achieve full resolution of the finding, the park should create a rotating schedule through all tour companies and staff to ensure that each tour company is receiving the same amount of monitoring. We reviewed all monitoring checklists that had been completed as of the date of the review, and documentation indicated that only 6 of the 16 tour operators had been monitored.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
4	Lake Powell Tribal Park public safety is an ongoing concern shared by emergency management and safety departments	Resolved

As discussed in Review Issue 1, site inspections were performed, and reports issued by NOSHA to the park on four separate instances following the issuance of the internal audit report as follows:

- May 8th, 2019 – Mystical Antelope Canyon stairs and handrails
- September 12th, 2019 – Upper Antelope Canyon
- April 7th, 2021 – Upper Antelope Canyon
- September 9th, 2021 – Waterholes Canyon

The park made substantial progress in implementing the recommendations related to tour operators and safety from the site inspections as follows:

- First aid training was completed by tour operators and park staff
- A schedule was implemented for tour guides indicating when they can enter the canyons to limit traffic
- Travel was limited through the canyons to be one way in and one way out

The tribal park implemented schedules to limit the number of visitors entering the canyons to one tour at a time. The *Tour and Guide Services Permit Agreement for Vehicle Tours* document for 2022 includes maximum limits of people per tour for each tour operator, maximum limits of customers per tour guide, and time limits for Upper and Lower Antelope Canyon.

As a result of the above efforts, the issue was deemed resolved. The park should ensure that semi-annual assessments are scheduled and conducted as outlined in the corrective measure. The Park Manager indicated these did not occur due to pandemic conditions and travel restrictions.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
5	Lake Powell Tribal Park needs to strengthen its cash controls	Resolved

The Lake Powell Tribal Park revised the *Cash Receipt Policy and Procedures* to address segregation of duties, reconciliation, verification of transactions, and unannounced spot checks.

Although the park updated the cash receipt policy and procedures document, cash was not accepted during the review period. An inability to hire Fee Collectors due to lack of qualifications, low pay and a lack of willingness by the applicant to undergo a background check were cited as reasons. One Fee Collector was stationed in the entrance fee booth at the Upper Antelope Canyon and the fee station at the Lower Antelope Canyon was not open. As a result of this, park entrance fees were paid to the park through the tour operators at the end of each month via credit card or cashier check or money order. Backcountry permits could only be paid for via cashier check or money order as form of payment. This was validated during our review of 20 cash receipts.

During the 9-month period of review, the park collected \$3,032,156 in revenue. Twenty cash receipts totaling \$1,172,332 were reviewed. Eight of the selections were paid via check (\$1,165,986) and the remaining 12 (\$6,346) were paid via credit card.

As documented in the *Cash Receipt Policy and Procedures*, duties were segregated among park personnel as follows during the review period:

- The one Fee Collector accepted check or money order payments for backcountry permits at the open fee booth
- The Office Assistant accepted check or money order payments at the main office for backcountry permits
- One Fee Collector Supervisor reviewed all tour guide payments at the end of the month and the support provided by the tour guides to verify the accuracy of the payment and reviewed the backcountry permit fees collected by the Fee Collector and Office Assistant to verify reconciliation with the number of permits distributed and agreement to supporting documentation
- The Park Manager performed a second review over all payments received at the park
- The second Fee Collector Supervisor deposited the receipts at the bank

Surprise cash counts were not performed by the park during the review period, as no cash was collected.

As a result of the above efforts, the issue was deemed reasonably resolved.

Attachment B

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
6	Lake Powell Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft	Not Resolved

As previously noted, the park did not accept cash payments, and this operational change minimizes risk exposure to theft. The park maintained a deposit log indicating the date a check was received, payee, permit type, check #, amount, deposit date, and the depositor. We reviewed 8 receipt selections by check payment and noted the following:

1. Collection period 10/11/2021 – 10/12/2021, Deposited 10/14/2021, Amount \$175,664
2. Collection period 10/14/2021 – 10/20/2021, Deposited 10/20/2021, Amount \$101,208
3. Collection day 11/27/2021, Deposited 12/2/2021, Amount \$7,648
4. Collection period 2/3/2022 – 2/28/2022, Deposited 3/2/2022, Amount \$68,200
5. Collection day 2/28/2022, Deposited 3/2/2022, Amount \$150
6. Collection period 3/2/2022 – 3/9/2022, Deposited 4/4/2022, Amount \$233,022
7. Collection day 4/19/2022, Deposited 4/26/2022, \$206
8. Collection period 4/26/2022 – 5/11/2022, Deposited 5/11/2022, Amount \$595,184

As noted above, bank deposits were not made daily, however no cash was collected. The tribal park also did not implement a deposit schedule to be monitored by the Park Manager and does not have a night depository agreement set up with the bank. The Park Manager indicated these items were not established as a small number of checks are received at around the same time each month when the tour operators remit the park entrance fees collected from visitors.

When the park begins accepting cash payments again in the future, there would be an increased risk in the misappropriation of cash received if not deposited timely.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
7	Lake Powell Tribal Park needs to strengthen security controls to properly safeguard cash revenues	Not Resolved

The park sent a memorandum to the Parks and Recreation Department on August 12, 2019 with a quote to purchase security cameras for the park office and the two fee collection stations. The request was not approved. The park sent another quote on November 8, 2022 and is currently awaiting a response from the Parks and Recreation Department.

The Lake Powell Tribal Park created a *Security Camera Use Policy & Regulation* document. Although a document was created, the park has yet to procure and install security cameras. The document is sufficient for park personnel to implement once the security cameras are installed.

The park no longer utilizes combination safes. The safe utilized requires a key to open. Keys are maintained by the Park Manager and the Fee Collector Supervisor.

When the park begins accepting cash payments again in the future, cash revenues cannot be effectively safeguarded if security controls are not established.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
8	Lake Powell Tribal Park does not verify the entrance fees collected by tour operators	Not Resolved

The tribal park is currently advertising for two Fee Collector positions. The positions were advertised beginning in October 2021 and will to be advertised until September 2025 unless filled prior to that time. When the positions are filled, the plan is to reopen the fee booths to accept entrance fees. The park currently continues to rely on the tour operators to collect all entrance fees, which are subsequently remitted back to the park each month. Tour operators provide summaries as support for amounts remitted to the park. As long as the tour operators continue to collect entrance fees on behalf of the park, the park should request sequential receipts issued to customers by the tour guides for each tour to reconcile to the daily summaries. Documentation required to be provided to the park with entrance fee payments should be added to the tour operator agreement.

A risk continues to exist that the park may not collect all entrance fees earned.