

OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A Follow-up Review of the Little Colorado River Tribal Park Corrective Action Plan Implementation

**Report No. 23-07
December 2022**


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



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

TO : Brittney Kaye Nez, Fee Collector
LITTLE COLORADO RIVER 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. 23-07, A Follow-up Review of the Little Colorado River Tribal Park
Corrective Action Plan Implementation

BACKGROUND

In 2018, the Office of the Auditor General finalized an internal audit over the Little Colorado River Tribal Park. The internal audit was performed to address concerns over emergency preparedness and the accountability of safeguarding cash revenues. Internal audit report number 18-12 was issued February 9, 2018, and Little Colorado River Tribal Park developed a corrective action plan (CAP) to address the audit findings and to continue to improve the safety of the 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-38-18 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 Little Colorado River Tribal Park and Navajo Parks and Recreation Department personnel and also the examination of documents and records provided by Little Colorado River Tribal Park. Heinfeld, Meech & Co., was engaged to perform the follow-up review of the Little Colorado River Tribal Park corrective action plan implementation.

SUMMARY

Of 46 total corrective measures, the Little Colorado River Tribal Park implemented 26 (57%) corrective measures, with the remaining 20 (43%) not implemented. See attached Exhibit A for the detailed explanation of the follow-up results.

CONCLUSION

The Little Colorado River Tribal Park did not fully implement its corrective action plan, and therefore, findings from the 2018 audit remain unresolved. The Little Colorado River Tribal Park had opportunities to address the audit issues, however, due to staffing vacancies, particularly in the Park Manager position, and the COVID-19 pandemic, the park was unable to fully resolve the audit issues. Therefore, Heinfeld Meech and the Delegated Auditor General agree to:

- Grant the Little Colorado River Tribal Park a six-month extension from the date of this report to continue implementing its corrective action plan.
- Conduct a 2nd follow-up review six-months after the date of this report and based on those results, provide an appropriate recommendation in accordance with 12 N.N.C. Section 9(b) and (c).

We thank the Little Colorado River 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 Little Colorado River Tribal Park corrective action plan implementation and have provided the results in this report for your consideration. Our review consisted primarily of inquiries of Little Colorado River Tribal Park and Navajo Parks and Recreation Department personnel and also the examination of documents provided by Little Colorado River 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 Little Colorado River 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 Little Colorado River 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 Little Colorado River 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 Little Colorado River Tribal Park was established in 1962 and has since been maintained and preserved by the Navajo Nation. The park's main attraction is two overlooks of the Little Colorado River gorge. The overlooks are located on State Road 64, the highway that leads to the Grand Canyon South Rim. The overlooks allow visitors to park and view the jagged canyon edge from a designated walkway. There are also picnic tables available to visitors and areas designated for local vendors to sell crafts and other merchandise.



The Little Colorado River Tribal Park operates under the Navajo Parks and Recreation Department (NPRD) along with all other tribal parks on the Navajo Nation. Each park operates under a 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 Little Colorado River Tribal Park. The internal audit was performed to address concerns over emergency preparedness and the accountability of safeguarding cash revenues. Internal audit report number 18-12 resulted in five (5) findings with two (2) of the findings related to safety and three (3) of the findings related to cash collection. As a result of the audit, the Little Colorado River Tribal Park developed a corrective action plan (CAP) to address the audit findings and to continue to improve the safety of the park for the visitors and to continue to improve the cash handling procedures within the park. The Little Colorado River Tribal Park internal audit report and CAP were approved on September 18, 2018 with resolution BFS-38-18 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 Little Colorado River Tribal Park and Navajo Parks and Recreation Department personnel and also the examination of documents and records provided by Little Colorado River Tribal Park.

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

Summary

Little Colorado River Tribal Park did not fully implement the corrective action plan. As outlined in *Exhibit A – Review Results* of this report, of the 46 corrective measures identified in the corrective action plan, Little Colorado River Tribal Park implemented 26 (57%), with the remaining 20 (43%) not implemented.

Conclusion

The Little Colorado River Tribal Park did not fully implement its corrective action plan, and therefore, findings from the 2018 audit remain unresolved.

The Little Colorado River Tribal Park had opportunities to address the audit issues. However, due to staffing vacancies, particularly in the Park Manager position, and the COVID-19 pandemic, the park was unable to fully resolve the audit issues. Therefore, HeinfeldMeech and the Delegated Auditor General agree to do the following:

- Grant the Little Colorado River Tribal Park a six-month extension from the date of this report to continue implementing its corrective action plan.
- Conduct a 2nd follow-up review six-months after the date of this report and based on those results, provide an appropriate recommendation in accordance with 12 N.N.C Section 9 (b) and (c).

Exhibit A - Review Results

Little Colorado River 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	Little Colorado River Tribal Park deposits of cash revenues need to be timely to minimize risk of exposure to theft	5	3	2	Yes	Attachment A
2	Little Colorado River Tribal Park does not properly reconcile its cash receipts	20	15	5	Yes	
3	Little Colorado River Tribal Park emergency action plan needs improvement to ensure the park is adequately prepared to respond to any potential emergency	6	1	5	No	Attachment B
4	Little Colorado River Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions	7	4	3	No	
5	Little Colorado River Tribal Park needs to strengthen security controls and oversight to properly safeguard cash revenues	8	3	5	No	
Total		46	26	20	2 - Yes 3 - No	

Corrective Measure Evaluation Criteria

Implemented: Little Colorado River Tribal Park provided sufficient and appropriate evidence to support all elements of the implementation of the corrective measure.

Not Implemented: Little Colorado River 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	Little Colorado River Tribal Park deposits of cash revenues need to be timely to minimize risk of exposure to theft	Resolved

Beginning in July 2021, entrance fees were no longer collected for admission to the park. This is notated on a sign at the entrance to the park.



The only cash collected at the park was for back country permits. These changes limited the amount of cash collected by the park during the period under review. At the time the review was performed, the Park Manager, Fee Collector Supervisor, and the Office Assistant positions were all vacant. The only filled positions at the park were the Delegated Program Supervisor, Fee Collector, and Maintenance Worker positions. Due to limited staffing, the park will continue to postpone acceptance of park entrance fees to minimize the exposure to risks as outlined in the internal audit. The decision was made to wait until a Park Manager or Supervisor is hired to begin collecting admission fees on site. The inability to fill open positions resulted in a loss of revenue to the park for the last year and a half.

The park accepted cash payments for back country permits until 2pm each day and then the Delegated Program Supervisor deposited the monies to the bank shortly thereafter. After 2pm, the only form of payment accepted by the park was credit card payment.

The park utilized *Daily Shift Cash Count* and *Daily Cash Count* sheets which included fields for documentation of review and a field to enter the deposit bag number. Additionally, the *Deposit Ticket* included Prepared By and Verified By fields. The Prepared By field required completion by the Fee Collector and the Verified By field required completion by the Delegated Program Supervisor. Each week, personnel at the park completed a *Weekly Recap* of all credit card and cash received, which was then sent to the Cashier's Office. The Delegated Program Supervisor signed off on the *Weekly Recap* for cash deposits and credit card purchases and confirmed the amounts were in agreement with the receipts from the cash register.

During the nine-month period of review, the park collected \$35,553 in revenue. Nineteen cash receipts for backcountry permits were reviewed totaling \$7,230, 6 (32%) of which included cash. All 6 receipts cash receipts including cash (100%) were deposited the same day as received.

Based on the sample selection review results and discussions and observations of the current process, this audit issue was deemed reasonably resolved.

To achieve full resolution of the finding, the park should do the following:

- Obtain a night depository agreement with the bank to be utilized for deposits. Park personnel indicated a meeting was held between the Parks and Recreation Department and the Cashier's Office to discuss the possibility of instituting a night depository agreement. A night depository agreement is still not in place, as the ability to institute the agreement was not entirely in the control of the park.
- Implement a deposit schedule to ensure deposits are made timely. The park did not utilize a "Bank Deposit Log" when cash was collected as outlined in the corrective measure. This was confirmed during the review of 6 receipts that included cash.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
2	Little Colorado River Tribal Park does not properly reconcile its cash receipts	Resolved

The corrective action plan required that the Park Manager monitor the cash receipt process on a daily basis. For 19 cash receipts reviewed for back country permits, all 19 (100%) were supported by *Daily Cash Count* and *Daily Shift Count* forms. *Daily Shift Count* Forms, completed by the Delegated Program Supervisor, included the number of permits sold and the sequential numbers of permits issued, allowing park personnel to reconcile to the cash amounts collected and deposited each day. It was verified that *Daily Cash Count* forms were reconciled to credit card receipts, tally forms, and cash register receipts.

The Park Manager position was vacant, and therefore, the Delegated Program Supervisor assumed the duties to oversee the Fee Collector, and the Fee Collector was then assigned to review the cash collected by the Delegated Program Supervisor. The reviews should be evidenced by signatures on the *Daily Cash Count* form and the deposit tickets.

Park personnel created a *Discrepancy Justification Form* to document overage/shortage and void/refund items. Situations requiring the usage of the form were not noted during our review of 6 cash receipt transactions from the audit period. Further, Park Rangers were assigned to the park on a rotating schedule at least weekly. The Rangers monitor the park premises, which includes the viewpoints and fee booth.

The *Little Colorado River Navajo Tribal Park Revenue Collection Policy and Procedures* were updated to include key procedures in areas such as collecting, verification of transactions, depositing and reconciling and reporting.

Based on the sample selection results, review of standard forms, and updates made to the policies and procedures, this audit issue was deemed reasonably resolved.

To achieve full resolution of the finding, the park should do the following:

- Increase hiring efforts to eliminate position vacancies at the park.
- Verify and document the review of cash receipt documentation to demonstrate duties were segregated.
- Obtain approval of the new cash receipt policies and procedures by the Department Manager.

Attachment B

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
3	Little Colorado River Tribal Park emergency action plan needs improvement to ensure the park is adequately prepared to respond to any potential emergency	Not Resolved

Documentation that an assessment of park hazards was conducted or that the park created an emergency action plan were not provided during the review. Current personnel indicated that an assessment was performed, however documentation could not be located. Park personnel indicated the primary recommendation of the assessment involved the installation of railings at the two viewpoints to enhance safety. This has currently been done at one viewpoint.

The Park Manager was to also have provided to park personnel annual trainings on the comprehensive emergency action plan with assistance from the Navajo Nation Department of Emergency Management and the Park Rangers. Training documentation and certificates were reviewed for current employees. Two of the three employees received CPR training, and one employee received training from Navajo Nation Safety/Loss Control. No training documentation reviewed mentioned the comprehensive emergency action plan.

Lastly, a monitoring form to track Parks and Recreation Department site visits was not created as noted in the corrective action plan. As an alternative, the park utilized a sheet to track visitors including visitor name, date, time, phone number and reason for the visit. It was noted during the review of visitor sheets from October 1, 2021 to June 30, 2022, the Parks and Recreation Department personnel visited the park on three occasions.

Without conducting periodic hazard assessments, hazards within the park may continue to exist that pose risk to park visitors. Failure by park personnel to periodically update and train employees on the emergency action plan results in a lack of assurance park personnel will respond adequately to potential emergencies impacting park visitors.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
4	Little Colorado River Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions	Not Resolved

Required park signage was evaluated, ordered, and installed throughout the park. New signage was observed at both of the viewpoints that are open to visitors. Examples of new signage observed during the site visit included:

- No Off-Road Vehicles!! Trail Only!
- Watch out for Reptiles: Rattlesnakes, Lizards, Spiders, Centipedes, Scorpions, etc Thank You - Mgmt
- Fees Required
- Visitor Parking
- Restrooms
- Please Do Not Litter Use Proper Receptacles
- Road Closed to Thru Traffic
- Little Colorado River Overlook
- Speed Limit 15
- Entering Fee Area



The park also purchased a digital movable sign utilized to notify visitors of potential emergencies.

Signs are maintained by the Park Maintenance Worker. The newer signs are made of higher quality materials.

Park personnel created new brochures with the required safety precaution warnings for park visitors and emergency contact numbers. The new brochures had not yet been approved by the Department Manager of the Parks and Recreation Department and therefore, had not yet been purchased for distribution as of the time of review. The old brochures continue to be available for park visitors to pick up at the administration building as the fee booth is not currently open for operation.

The navajonationparks.org website includes information on:

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

The Little Colorado Tribal Park webpage was reviewed. It was noted that evacuation alternative routes were not included as indicated in the corrective measure. Additionally, no evidence was provided that park personnel communicated to the Media Specialist to post critical information, involving weather alerts and park closures.

The Little Colorado River Tribal Park cannot alert potential visitors regarding hazards and emergency protocols without updating printed and phone app materials and the website in real time. This leaves the park open to potential liabilities and risks.

REVIEW RESULTS		
Review Issue	Issue Description	2022 Status
5	Little Colorado River Tribal Park needs to strengthen security controls and oversight to properly safeguard cash revenues	Not Resolved

Park personnel were unable to provide documentation that the fee booth was assessed to determine how to add security with the absence of electricity. Additionally, security cameras have not been procured or installed at the park. A *Security Camera Use Policy and Regulation* document to be utilized once the park is able to procure and install security cameras within the administrative office and fee booth was developed. This document is sufficient for park personnel to implement once the security cameras are installed.

Two safes were installed, both of which are currently in the office due to the fee booth not being in operation. Only the Delegated Program Supervisor has the combination to the safe and documentation was not provided that the combination was changed every six months.

A *Park Spot Check* form was created and was included within the updated Little Colorado River Navajo Tribal Park Revenue Collection Policy and Procedures. No evidence was provided that this form was utilized during the review period or that a NPRD Accountant or personnel designated by the Department Manager made unannounced spot checks of cash collections monthly to ensure that the cash collection policies are being practiced by the fee collectors.

Lack of implementation of security measures to safeguard cash revenues leave the park at risk of the misappropriation of revenues.