

Audit Issues From the Navajo and Tohono O'odham Nations

Western Intergovernmental Audit
Forum

Spring 2007 Conference

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Background

- Navajo Nation
 - Three branch government
 - 110 Chapters
- Various Information:
 - \$150 Million General Fund
 - Coal, Oil & Gas, Taxes
 - \$240 Million in Grants/Contracts
 - \$1.7 Billion investment assets
 - 175,000 tribal members
- Tohono O’odham Nation
 - Three branch government
 - 11 Districts
- Various Information:
 - \$50 Million General Fund
 - Gaming and taxes
 - \$25 Million in Grants/Contracts
 - \$200 Million investment assets
 - 30,000 tribal members

Financial & Federal Audit Issues

- Navajo Nation
 - Federal Compliance
 - Reporting, Eligibility, Procurement
 - Head Start
 - Financial Issues
 - Internal Controls
 - Corrective Measures
- Local Issues – 110 Chapters
 - No accountants
 - No computerized accounting systems
 - No policies and procedures
 - \$300,000 with minimal oversight
 - Internal control issues
 - Fraud issues
- Tohono O’odham Nation
 - Federal Compliance
 - Reporting
 - Reverting federal monies
 - Financial Issues
 - Internal Controls
 - Reporting Entity
- Local Issues – 11 Districts
 - No accountants
 - No computerized accounting systems
 - No policies and procedures
 - \$900,000 with minimal oversight
 - Internal control issues
 - Fraud issues

Issues Faced by Both Nations

- High turnover of employees
 - Lack of employees with accounting and finance backgrounds
 - Lack of employees with government experience
 - Lack of employees with tribal government experience
- Some Possible Causes
 - Remote locations
 - Resources not devoted to accounting and finance issues
 - Compensation is generally lower on the reservation
 - Very political environment for management positions

Internal Audit Function

- Navajo Nation
 - Office of the Auditor General
 - Legislative Branch
 - Function governed by laws and policies
 - Able to audit all branches and levels of government
 - Audit Objectives
 - Compliance
 - Performance
 - Financial*
 - Fraud investigation
 - \$800,000 Budget – 13 Employees
- Tohono O'odham Nation
 - Internal Auditor Position
 - Executive Branch
 - Function not governed by laws or policies
 - Able to audit the executive branch only
 - Audit Objective
 - Fraud investigations
 - \$350,000 Budget*

Questions

For More Information on Tribal Accounting and Audit Issues

- Native American Finance Officers Association (NAFOA)
 - A not-for-profit organization that has been in existence for more than 20 years
 - Mission: To improve the quality of financial and business management of tribal governments, their entities and their businesses



www.nafoa.org

Contact Information

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