

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - Fourth Year, 2018

AN ACTION

RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE
BUDGET AND FINANCE COMMITTEE; ACCEPTING THE INTERNAL AUDIT OF
LAKE POWELL TRIBAL PARK SUBMITTED BY THE OFFICE OF THE AUDITOR
GENERAL, AND APPROVING THE CORRECTIVE ACTION PLAN FOR LAKE
POWELL TRIBAL PARK SUBMITTED BY THE NAVAJO PARKS AND
RECREATION DEPARTMENT

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee (RDC) is the oversight committee of the Division of Natural Resources. The Navajo Parks and Recreation Department is within the Division of Natural Resources and manages the Navajo Tribal Parks. 2 N.N.C. § 501(C)(3).
- B. As the oversight committee for the Division of Natural Resources, RDC is to receive audit reports and corrective action plans. 12 N.N.C. § 7(E).
- C. The Budget and Finance Committee (BFC) is charged with receiving and approving audit reports from the Auditor General. 12 N.N.C. §§ 6(A) and 7(D).

SECTION TWO. FINDINGS

- A. The Auditor General submitted an Audit Report for Lake Powell Tribal Park in accordance with 12 N.N.C. § 7(D). The Audit Reports, "Navajo Nation Internal Audit of Lake Powell Tribal Park," No. 18-15, dated March, 2018, which is attached as **Exhibit A**.
- B. The Lake Powell Tribal Park Audit Report lists eight (8) findings and recommendations for corrections.

- C. Additional details on the findings and recommendations for Lake Powell Tribal Park are included in **Exhibit A**.
- D. The Navajo Parks and Recreation Department provided a corrective action plan ("CAP") for the Lake Powell Tribal Park, which is attached as **Exhibit B**.

SECTION THREE. ACCEPTANCE AND APPROVAL

- A. The Navajo Nation hereby approves, "Navajo Nation Internal Audit of Lake Powell Tribal Park," No. 18-15, dated March 2018, attached as **Exhibit A**.
- B. The Navajo Nation approves the CAP for Lake Powell Tribal Park submitted by the Navajo Parks and Recreation Department, which is attached as **Exhibit B**.
- C. The Navajo Nation directs that copies of Lake Powell Tribal Park's CAP be provided to RDC as part of its oversight responsibility for the Division of Natural Resources. The Navajo Nation directs the Navajo Parks and Recreation Department to submit a written status report on its progress in implementing the corrective action plan to the Office of the Auditor General six months after the approval of this resolution.
- D. The Navajo Nation directs the Office of the Auditor General to review the written status report submitted by the Navajo Parks and Recreation Department and to report the results to RDC and BFC.
- E. The Navajo Nation directs the Office of the Auditor General to conduct a follow-up review twelve months after the approval of this resolution to verify the actions claimed to have been taken by the Department of Parks and Recreation, to issue a written follow-up report indicating the Department's progress in implementing the CAP for Lake Powell Tribal Park, and to make recommendations to RDC and BFC.

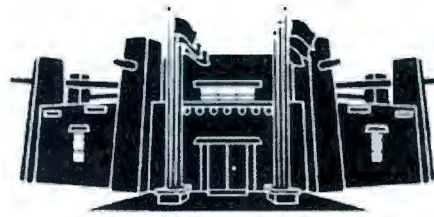
CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Leupp, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 3 in favor and 0 opposed, this 18th day of September 2018.

A handwritten signature in black ink that reads "Dwight Witherspoon". The signature is written in a cursive, flowing style.

Dwight Witherspoon, Vice Chairperson
Budget and Finance Committee

Motion: Honorable Tuchoney Slim, Jr.
Second: Honorable Lee Jack, Sr.



OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

**Internal Audit
of
Lake Powell Tribal Park
Navajo Parks and Recreation Department**

**Report No. 18-15
March 2018**

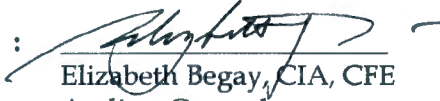
**Performed by:
Beverly Tom, Senior Auditor**



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
PARKS AND RECREATION DEPARTMENT

FROM : 
Elizabeth Begay, CIA, CFE
Auditor General
OFFICE OF THE AUDITOR GENERAL

DATE : March 9, 2018

SUBJECT : Internal Audit of the Navajo Nation Lake Powell Tribal Park

The Office of the Auditor General herewith transmits Audit Report No. 18-15, Internal Audit of the Navajo Nation Lake Powell Tribal Park. The internal audit was conducted to determine whether the Lake Powell Tribal Park personnel and tour operators are prepared to respond to an emergency on park premises, and whether cash collected by the park is accounted for, safeguarded and deposited daily.

The auditors reported eight (8) findings:

- Lake Powell Tribal Park emergency action plan needs improvement to ensure the park is adequately prepared to respond to any potential emergency.
- Lake Powell Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions.
- Lake Powell Tribal Park does not monitor tour operators for compliance with safety requirements.
- Lake Powell Tribal Park public safety is an ongoing concern shared by emergency management and safety departments.
- Lake Powell Tribal Park needs to strengthen its cash controls.
- Lake Powell Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft.
- Lake Powell Tribal Park needs to strengthen security controls to properly safeguard cash revenues.
- Lake Powell Tribal Park does not verify the entrance fees collected by tour operators.

The audit report provides recommendations to correct the reported findings.

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

xc: Bidtah Becker, Division Director
DIVISION OF NATURAL RESOURCES
Chrono

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INTRODUCTION AND BACKGROUND

The Office of the Auditor General conducted an internal audit of the Navajo Nation Lake Powell Tribal Park. The audit addressed concerns over the emergency preparedness and responsiveness of the park staff, and the accountability and safeguarding of the park's cash revenues. The audit was requested by the Resources and Development Committee of the Navajo Nation Council.

Lake Powell Tribal Park



- Established in 1962
- Most visited tribal park
- Open year round
- Located near Lake Powell
- Main attraction is guided tours of the antelope canyons
- Attracts over 800,000 visitors annually
- Visitors come worldwide
- Very popular for photography

The Lake Powell Tribal Park which was established in 1962 by the Navajo Nation Council is located in western Navajo Nation near Page, Arizona. The park includes two canyons, the Upper and Lower Antelope Canyons, which are described as slot canyons with swirling sandstone. Park visitors are permitted to walk thru the canyons to obtain a first-hand look at the unique rock formations. The park employs six permanent year-round personnel and hires additional temporary employees during their peak season which is typically from March to October. Based on park records, there were over 800,000 visitors to the park in fiscal year 2016.

This park primarily generates revenues from entrance fees. Park visitors are required to pay \$8 per person to enter the park premises. After entering the park, park visitors pay additional fees to tour the Upper and Lower Antelope Canyons. The canyon tours are provided by tour operators who are private companies that have permits with the tribal park to provide the tour services. During fiscal year 2016, there were 11 operators working with the tribal park. The fees charged by the tour operators vary and they offer both private and non-private tours. Based on available tour operator brochures, park visitors can pay approximately \$25-\$140 per person for a specified time period (i.e., one hour) for these tours. The average tour fee is approximately \$85.

Based on the Office of Navajo Tax Commission records, Lake Powell Tribal Park tour operators reported approximately \$15.7 million gross receipts in FY2016. Since the tour operator revenues are not collected by the tribal park, they are not considered Navajo Nation revenues, except for

the 5% gross receipts sales tax that the tour operators remit to the Office of Navajo Tax Commission.

Parks and Recreation Department

The Parks and Recreation Department manages the Lake Powell Tribal Park along with all other tribal parks on the Navajo Nation. The department was established in 1964 under the Executive Branch within the Division of Natural Resources with a primary mission to protect, preserve and manage tribal parks, monuments and recreation areas for the perpetual enjoyment and benefit of visitors to the Navajo Nation. There are seven tribal parks and each park is managed by a designated park manager who reports directly to the department manager. The division director supervises the department manager and legislative oversight is provided by the Resources and Development Committee.

Parks and Recreation Enterprise Fund

All park revenues are deposited into the Parks and Recreation Enterprise Fund. This is a proprietary fund that was established based on a fund management plan for funding the operations of the Parks and Recreation Department to achieve its purpose. Table 1 summarizes the Lake Powell Tribal Park revenues generated for fiscal year 2016 by revenue source:

Table 1
Lake Powell Tribal Park Revenues
Fiscal Year 2016

Revenue Source	Amount
Entrance fees ⁽¹⁾	\$6,213,715
Backcountry permits	\$49,122
Processing fees	\$32,990
Annual tour permits	\$19,475
Filming/Photography permits	\$7,411
Bank interest	\$1,189
Water resale	\$424
Other	\$344
TOTAL:	\$6,324,670

Source: Auditor General compilation of the cash receipt reports through September 22, 2016.

⁽¹⁾ Entrance fees are collected by both park staff and tour operators.

Objective, Scope and Methodology

Our objectives in conducting this audit were to:

- Determine whether the Lake Powell Tribal Park personnel and tour operators are prepared to respond to an emergency on park premises.

- Determine whether cash collected by the park is accounted for, deposited daily and safeguarded.

The audit covers Lake Powell Tribal Park operations from October 01, 2015 to September 30, 2016.

SCOPE LIMITATION: The audit did not include a) an evaluation of the potential revenue that the Navajo Nation can generate if the Parks and Recreation Department directly operate the tour services, and b) an evaluation of how the entrance fees are set and whether the current rates are suitable.

In meeting our objectives, we performed the following procedures:

1. Reviewed Lake Powell Tribal Park records including but not limited to the plan of operation, fund management plan, policies and procedures, and correspondences.
2. Reviewed financial records of the Lake Powell Tribal Park such as weekly cash deposit reports, bank statements, deposit slips, and daily cash counts.
3. Conducted observation of Lake Powell Tribal Park activities.
4. Researched, via the internet, and inquired with other state/national parks for information regarding emergency planning, preparedness, response and enforcement. These parks included: a) Grand Canyon National Park, b) Montana State Park, c) Jordanelle State Park (located in Utah), d) Yellowstone National Park and e) Canyon De Chelly National Park. We also researched the National Park Service website.
5. Used the ACL data analysis software to randomly select 40 dates during the park's peak season which was between March 1, 2016 and September 30, 2016. For each date, there were three to four fee collection shifts and per each shift, the fee collector remitted a money bag of cash and corresponding receipts. The 40 dates comprised of 87 total money bags.
6. Performed test work of all cash receipts for the 87 money bags selected to verify adequate cash controls. The total cash receipts tested was \$678,033.
7. Used the ACL data analysis software to randomly select 40 dates during fiscal year 2016 to verify full deposits of cash receipts. The total deposits tested was \$1,655,986.
8. Selected and performed test work of all 11 tour operators currently contracted with the tribal park for compliance with the Navajo Nation Tour and Guide Service Act.
9. Selected all audit test work samples in accordance with the established sampling guidelines for moderate level of control risk.
10. Interviewed tribal park staff and Parks and Recreation Department staff.
11. Obtained and reviewed budgetary and accounting records from the Financial Management Information System, Office of the Controller cashier's office and Office of Management and Budget.
12. Interviewed staff within the Department of Emergency Management and the Safety/Loss Program to obtain their feedback on the tribal park emergency management plans, their working relationships with the parks and what would be important safety measures at the tribal parks.

Government Auditing Standards

We conducted this performance audit in accordance 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of the Auditor General and staff express their appreciation to the Lake Powell Tribal Park staff, Navajo Parks and Recreation Department staff, and all other entities who contributed to this audit for their cooperation and assistance throughout the audit.

REVIEW RESULTS

I. EMERGENCY PREPAREDNESS

The Lake Powell Tribal Park is smaller park compared with other Navajo Nation parks but based on the number of visitors, it is a more popular park to visit. The popularity is due to the renowned rock formations that make up the Upper and Lower Antelope Canyons. The attraction to these canyons results in a large influx of visitors to the park on an annual basis. As such, the park's preparedness with regards to emergency response is very important. Although the park has not documented a high number of accidents on park premises, it doesn't negate the park's overall responsibility to maintain a proactive approach with its emergency planning and responsiveness.

FINDING: Lake Powell Tribal Park emergency action plan needs to be improved to ensure the park is adequately prepared to respond to any potential emergency.

Criteria: The Parks and Recreation Department requires each tribal park to establish an emergency action plan to safely and effectively manage emergency situations within their respective park.

Condition: The Lake Powell Tribal Park has an emergency action plan and two safety plans for both canyons. For the emergency action plan, the park took the standard template provided by the Parks and Recreation Department and revised the document to address the park's needs.

In reviewing the plans against the information obtained through research of other national and state parks regarding emergency planning and preparedness, we found the park's current emergency action and safety plans missing key information such as the following:

- All potential hazards that may place park visitors and employees at risk for injury such as criminal activities, motor vehicle accidents, etc.
- Requirements to provide public information via signposts or website on potential hazards and safety precautions.
- The type of emergency supplies and equipment that should be kept on hand and readily available during emergencies.
- Permitted visitor capacity within the Antelope Canyons especially during peak seasons.
- The purpose of the plan, what authority the park has to implement the plan and listing of the roles and responsibilities of the park staff to carry out the plan.
- Requirements to keep the emergency action plan and canyon safety plans on hand and readily available for staff to utilize during an emergency.

- Requirements to report incidents, if needed, to applicable Navajo Nation Departments such as the Risk Management Department, Department of Emergency Management and Navajo Occupational Safety and Health Administration office for reporting purposes and assistance with remedial actions.
- Emergency preparedness and responsiveness requirements for tour operators.

Effect: Without a comprehensive emergency action plan, the Lake Powell Tribal Park cannot provide assurance that it can safely and effectively manage emergency situations within park premises.

Cause: The park manager has not fully assessed the potential hazards that may occur on the park premises, including hazards outside of the canyons. As a result, the park manager was unable to prepare a plan that would address all potential hazards.

Recommendations:

- 1) The park manager should continue efforts to fully assess potential hazards that affect the Lake Powell Tribal Park, identify the safety precautions needed, and revise its emergency action plan and canyon safety plans accordingly.
- 2) The park manager should continue to coordinate with local law enforcement agencies and emergency responders to assist the park in revising its emergency action plan and canyon safety plans.

FINDING: Lake Powell Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions.

Criteria: The Parks and Recreation Department requires each tribal park to maintain and implement a general management plan to manage the park operations. The general management plan authorizes the park manager to implement services to ensure visitors remain safe while visiting the park. Such services would include the dissemination of safety information to park visitors.

Condition: The Lake Powell Tribal Park addresses certain safety risks within its emergency action and safety plans. The park also has posted speed limit signs when entering the park premises to caution visitors on traffic safety. However, the park could implement other safety measures that would help ensure the safety of its visitors. During our field visit to the park, we noted the following:

- There were no posted signs specifically addressing potential hazards on park premises or safety precautions needed to avoid such hazards. The entrance booth and designated parking areas are void of safety signage. It was not until 2017 that the park installed new signs and updated existing safety signage regarding speed limit and flash flood warning.

- Contact numbers for emergency responders such as local police, fire department, and paramedics were not clearly posted on signs or provided in brochures/flyers to make such information readily available to park visitors.
- Posted signs of evacuation routes for the park visitors to safely exit the park.
- Park brochures/flyers informing park visitors of potential hazards and the required safety precautions to ensure a safe visit to the park.
- Although the park has a website that serves as the primary source of information about the park to people who are interested in visiting, the site does not address: a) all potential hazards found at the park, b) safety precautions, c) emergency contact information, d) evacuation/alternate routes to exit the park during an emergency, and e) weather alerts that may impact park visitation.

Effect: The lack of public information could lead to injury among park visitors.

Cause: The Parks and Recreation Department does not monitor the park to make sure the park staff is implementing sufficient public safety information.

Recommendations:

- 1) The park should install visible signs, create a brochure/flyer and update its website to provide park visitors with important information on potential hazards at the park and the safety precautions they need to take to have a safe park visit.
- 2) The Parks and Recreation Department should monitor the park manager to make sure the park is providing sufficient safety information.

FINDING: Lake Powell Tribal Park does not monitor tour operators for compliance with safety requirements.

Criteria: The Navajo Nation Tour and Guide Service Act requires a tour and guide service permit to authorize tour and guide services on and within the Navajo Nation. The permits are executed between the Navajo Nation (via the Parks and Recreation Department) and the tour operators. The standard permit requires the tour operators to operate in an orderly, professional and ethical manner and to comply fully and in a timely manner with directives and instructions issued by the Navajo Nation. In addition, the agreements require tour drivers and guides to possess required vehicle operator's licenses for the state in which they permanently reside, and a CPR/First Aid certification. Any violations of the agreements will be addressed by the Navajo Nation Tour and Guide Service Act table of penalties.

Condition: The park currently has permits with 11 tour operators to offer guided tours to park visitors. Although the park manager assigns monitoring duties, there were no records of the park staff routinely monitoring the tour operators' compliance with

safety requirements as outlined in the Navajo Nation Tour and Guide Service Act. In the incident reports found on file, there were 10 incidents of tour operators speeding in their tour vehicles and conducting themselves unprofessionally on park premises. The park manager claims written notices via email and telephone calls were made to the tour operators but the park manager could not provide documented notices addressing these issues with the tour operators during the annual meeting or other meetings to prevent future similar incidents.

Effect: Tour operators could put visitors in unsafe situations and this poses a significant liability risk for Lake Powell Tribal Park and the Navajo Nation.

Cause:

- The Navajo Nation Tour and Guide Service Act and the standard tour and guide permits do not provide specific instructions for tour operator monitoring by the park manager
- The Parks and Recreation Department does not verify that the park manager is routinely monitoring the tour operators for compliance with their permits and the Navajo Nation Tour and Guide Service Act.
- The park manager does not provide written notice to the tour operators for violations of the Navajo Nation Tour and Guide Service Act.
- The park manager does not enforce the table of penalties against tour operators who violate applicable rules and regulations.
- The Park does not have an onsite park ranger to monitor tour operators and their activities, and to enforce rules and regulations.

Recommendations:

- 1) The park manager and Parks and Recreation Department should recommend revisions to the Navajo Nation Tour and Guide Service Act and the standard tour and guide permits to include specific instructions for monitoring tour operators.
- 2) The Parks and Recreation Department should provide onsite monitoring to verify tour operator's permits and compliance with the Navajo Nation Tour and Guide Service Act.
- 3) The park manager should develop a weekly monitoring schedule and use a checklist to verify tour operators are adhering to safety requirements and providing required documentation.
- 4) The park manager should meet with the tour operator(s) on a quarterly basis to go over incident reports and remind them of safety requirements.
- 5) The park manager should issue written notices to the tour operator for non-compliance.
- 6) The park manager and Parks and Recreation Department should enforce table of penalties if tour operators do not take corrective action.
- 7) The Parks and Recreation Department should continue its efforts to hire a park ranger with job duties and responsibilities similar to the National Park Service

to monitor park activities and to enforce park rules and regulations for the safety of staff and visitors.

FINDING: Lake Powell Tribal Park public safety is an ongoing concern shared by emergency management and safety departments.

Criteria: The Parks and Recreation Department, in conjunction with the park managers, is entrusted with a fiduciary responsibility to ensure a safe visit for all park visitors.

Condition: The Navajo Nation Department of Emergency Management and the Safety/Loss Program within the Risk Management Department reported ongoing concerns about safety within the tribal parks. Safety concerns that affect both park visitors and staff. Both departments described various safety issues they observed first hand during their visits to the Lake Powell Tribal Park that they shared with park management. Some of these concerns were:

- Too many visitors in the canyons at any given time.
- Difficult to breathe within the canyon walls when it's crowded.
- The increment time used by tour operators to allow visitors to enter the canyons was too short thus resulting in large crowds.
- Tour operators are ushering visitors without sufficient time for viewing by visitors leading to delays and crowds within certain areas of the canyons.
- The risk of flooding is still high especially with the local dam from the nearby lake and monsoon seasons but the park still allows the tour operators to crowd the canyons with visitors.

These departments also indicated they provided recommendations and/or corrective measures to remediate these issues but it was unclear if park management provided a formal response back to the Department of Emergency Management and Safety/Loss Program. Both departments are concerned about the potential liability to the Navajo Nation if these issues are not addressed fully and in a timely manner.

Effect: Increased risk for potential liability when safety concerns are disregarded or not prioritized for correction.

Cause:

- By all indications, the park does not perform routine assessments of the volume of visitors through the canyons during peak seasons to identify bottlenecks that delay the flow of visitors resulting in crowds within the canyon walls.
- The park allows the tour operators to use their discretion in determining how the canyon tours are conducted including the increment time used between tours.

Recommendations:

- 1) The park manager should collaborate with the emergency management and safety programs to assess and determine the best approach for the tour operators in conducting canyon tours to ensure visitor safety.
- 2) The park manager should implement recommendations offered by the emergency management and safety programs to help mitigate risks for potential liabilities.
- 3) The park manager should have periodic risk assessments of park safety to remain proactive in addressing potential issues such as the congested crowds within the canyons.
- 4) The park manager should exercise greater control over the tour operations and set the time requirements for the tours within the canyons.

II. CASH CONTROLS

The popularity of the Lake Powell Tribal Park allowed the park to generate high revenues. As noted in Table 2 of this report, the park generated over \$6 million in revenues in fiscal year 2016. Most of the revenues (about 98%) were generated from entrance fees. Records showed that approximately 48% (approximately \$3 million) of the entrances fees were paid in cash which means the park staff is handling large amounts of cash revenues. To ensure proper accountability of such revenues, strong internal controls over cash activities are needed.

FINDING: Lake Powell Tribal Park needs to strengthen its cash controls.

Criteria: The general management plan authorizes the park manager to receive, verify, control and otherwise be responsible for all revenues generated and ensure proper accounting and disposition of such funds. Overall, the plan requires adequate controls over cash activities.

Condition: We found incompatible duties among the staff responsible for collecting, recording, depositing, and reconciling receipts. Specifically, one of two fee collector supervisors is allowed too many duties such as reconciling the cash, posting transactions to the cash receipt reports, preparing the deposits, and making deposits at the bank.

In addition to the poor segregation of duties, there was also no proper oversight of the cash activities. The park management does not perform surprise cash counts which could detect misuse/theft of funds.

Effect: There is risk that cash could be stolen without detection.

Cause:

- The park's cash receipt policies and procedures have not been updated to reflect current activities and to address all critical controls such as segregation of duties, reconciliation, and verification of transactions.
- The park manager does not properly monitor the park staff to make sure they are performing their assigned cash receipt duties and responsibilities.

Recommendations:

- 1) The park manager should update the cash receipt policies and procedures to address the segregation of duties, reconciliation, verification of transactions and surprise cash counts.
- 2) The park manager should segregate the functions of collection, reconciliation and deposit of cash to different park staff as feasible. If the functions cannot be segregated, other compensating controls should be implemented.

- 3) The park manager should be involved throughout the cash receipt process and monitor the staff to make sure they are performing their assigned duties and responsibilities within the process.

FINDING: Lake Powell Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft.

Criteria: The enterprise fund management plan requires all receipts to be deposited in appropriate accounts on a daily basis if practical.

Condition: Our examination of a sample of 40 deposits totaling approximately \$1.6 million revealed that 48% of these deposits were not made on the same day the cash receipts were collected. Records showed that the park took, on average, three days to make a deposit at the nearest bank. This is contrary to the park's policy which requires daily deposits of cash revenues.

Since there are no daily deposits, the park is maintaining large amounts of cash on hand on park premises, especially during the peak season. The nearest bank is approximately four miles from the park and although the park has a night drop agreement with their bank, the park staff has been inconsistent in using the night drop services.

Effect: There is risk that cash could be stolen from park premises and park staff could be harmed in the process.

Cause:

- Although the park currently has two fee collector supervisors to prepare the bank deposits, only one supervisor is relied upon to perform this task. When this supervisor is absent or unavailable, the park delays the deposits until the employee returns. As a result, the cash receipts on hand accumulate to large amounts before a bank deposit is made, especially during the peak season.
- There is no deposit schedule that identifies the staff who are responsible for the bank deposits.
- It is unclear which park staff the bank recognizes as the authorized individuals to make bank deposits on behalf of the park and as a result, the staff did not make deposits because they assumed they would not be provided transaction receipts by the bank.

Recommendations:

- 1) The park manager should require both fee collector supervisors to assist with the bank deposits, especially during the peak season to avoid large amounts of cash on hand being left undeposited.

- 2) The park manager should develop a deposit schedule that specifies the staff member(s) responsible for making the daily deposits including any after business hours deposits.
- 3) The park manager should work with the Office of the Controller to clarify with the bank the park staff authorized to make bank deposits.
- 4) The park manager should monitor deposits to make sure staff complies with deposit schedules and are using the bank night drop during peak seasons.

FINDING: Lake Powell Tribal Park needs to strengthen security controls to properly safeguard cash revenues.

Criteria: The general management plan authorizes the park manager to be responsible for all revenues generated including the safeguarding of cash revenues before bank deposits are made.

Condition: During peak season, the Lake Powell Tribal Park can have as much as \$44,000 on hand per day on park premises waiting deposit. Until the cash revenues are actually deposited, the park is responsible for safeguarding the revenues. However, a visit to the park revealed poor security controls:

- No proper security equipment: There are no security cameras set up for the park office and at the entrance booth to monitor cash handling activities.
- Out-of-date combination numbers for the safes: The park maintains two safes at the park office and by all indications, the park does not periodically change safe combination numbers. This may explain why the staff do not know the combination for one of the safe and is therefore left unlocked.

Effect: There is risk that cash could be stolen and such incidents could place the staff at risk for physical harm.

Cause: Aside from the cash receipt policies and procedures, the park does not have security policies and procedures that would address how the park safeguards its property and assets including its cash on hand.

Recommendations:

- 1) The park manager should develop security policies and procedures especially for security cameras and how they should be managed. Thereafter, the park should install security cameras at the office building that houses the safes and at the entrance booths.
- 2) The park should replace the safe with the unknown combination number and establish a process to routinely change safe combination numbers to prevent unauthorized access.

FINDING: Lake Powell Tribal Park does not verify the entrance fees collected by tour operators.

Criteria: The general management plan authorizes the park manager to receive, verify, control and otherwise be responsible for all revenues generated and ensure proper accounting and disposition of such funds.

Condition: During off-peak season, the entrance booth is not always open because there are fewer park visitors. However, the park is open year-round and visitors are still allowed to enter the park and required to pay the \$8 per person entrance fee. Therefore, when the entrance booths are closed, the park manager implemented verbal agreements with the private tour operators to collect the entrance fees on behalf of the park and remit those revenues by check periodically to the park. Records showed that during fiscal year 2016, the tour operators collected approximately \$3.2 million in entrance fees. Of this amount, \$2 million was collected during the off-season by the tour operators.

The tour operators submit daily visitor reports when they remit the entrance fees to the park. However, the park does not reconcile its records against the tour operator reports to make sure all entrance fees due to the park are fully collected by the operators. According to the park manager, remittance of the entrance fees by the tour operators is based on an honor system. There is also no record of the Parks and Recreation Department approving this arrangement.

Effect: The park cannot provide reasonable assurance that the tour operators remitted, in full, the entrance fees they collected during the off-season.

Cause:

- The park manager does not adhere to the general management plan in place for the Lake Powell Tribal Park.
- The park does not have a process that includes adequate controls established for this arrangement.

Recommendations:

- 1) The park should collect the entrance fees at all times, regardless of the season.
- 2) The park manager should comply with the general management plan when accounting for the park revenues.

CONCLUSION

With regards to emergency preparedness, the Lake Powell Tribal Park emergency action plan needs to be improved to ensure the park is adequately prepared to respond to any potential emergency. Lake Powell Tribal Park needs to do more to alert park visitors about potential hazards on park premises and the need for safety precautions. Further, the Lake Powell Tribal Park does not monitor tour operators for compliance with safety requirements. Lastly, public safety is an ongoing concern shared by emergency management and safety departments.

Lake Powell Tribal Park is one of the premier tribal parks that generates a large amount of revenues annually, totaling approximately \$6 million, for the Parks and Recreation Department. However, the Lake Powell Tribal Park needs to strengthen its cash controls. The Lake Powell Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft. Further, the Lake Powell Tribal Park needs to strengthen security controls to properly safeguard cash revenues. Lastly, the Lake Powell Tribal Park does not verify the entrance fees collected by tour operators.

Overall, Lake Powell Tribal Park is one of the tribal parks that attracts a large number of visitors and generates significant amount of revenues for the Parks and Recreation Department. These revenues are to ensure the Lake Powell Tribal Park continues to attract tourists from all parts of the world and to ensure a safe visit for all park visitors. Therefore, it is the responsibility of the Parks and Recreation Department and the Lake Powell Tribal Park to preserve, protect, and manage the park for the benefit of the Navajo Nation.

CLIENT RESPONSE



THE NAVAJO NATION
PARKS & RECREATION
DEPARTMENT

Navajo Nation
Department

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THE NAVAJO NATION


RUSSELL BEGAYE
President

JONATHAN NEZ
Vice-President



MEMORANDUM

TO: Elizabeth Begay, CIA, CFE
Auditor General
Office of the Auditor General

FROM: 
Effie M. Yazzie, Park Manager
Lake Powell Navajo Tribal Park
Navajo Parks and Recreation Department

DATE: January 19, 2018

SUBJECT: RESPONSE TO FINAL DRAFT AUDIT REPORT

This memo shall serve as a written response to the Final Draft Audit Report for Lake Powell Navajo Tribal Park.

The written response is enclosed with supporting attachments.

If you have any question, I can be reached at 928-698-2808, Fax #928-698-2820 or by email to emyazzie@navajonationparks.org.

CC: Bidtah Becker, Executive Director, Division of Natural Resources
Marlin Begaye, Department Manager, Navajo Parks and Recreation Department
File

RESPONSE TO FINAL DRAFT AUDIT REPORT

LAKE POWELL NAVAJO TRIBAL PARK

COMMENT on Introduction and Background

It would be helpful to explain how the 5% sales tax is allocated by the Office of Navajo Tax Commission.

I. EMERGENCY PREPAREDNESS

COMMENT - It is unclear how the Auditor General can make such a determination as to whether the Lake Powell/Antelope Canyon Tribal Park personnel and tour operators are prepared to respond to an emergency on park premises as the Auditor General and her staff have no training in emergency response. Emergency response is a specialized field and there is no evidence that the Auditor General or her staff have training in that field.

FINDING 1: Lake Powell Tribal Park emergency action plan needs to be improved to ensure that the park is prepared to respond to any potential emergency.

There is no basis for Finding 1. Finding 1 is an extremely broad statement that does not reflect the Auditor General's research. There is no evidence of a failed emergency response by either the park personnel or the tour operators. The park personnel are trained in CPR and First Aid training to respond to the limits of their certification. In more serious cases, the park personnel calls 911 for local emergency responders with proper credentials while they assist in supporting roles such as traffic control and so forth.

The Auditor General's statement that "The park took the standard template provided by the Parks and Recreation Department and adapted the document to address the park's needs" is not entirely true as our park staff have repeatedly explained in two previous meetings with the Auditor General's staff.

Lake Powell Navajo Tribal Park has two Safety and Emergency Evacuation Plans to address emergencies at Lower Antelope Canyon and Upper Antelope Canyon as well as an Emergency Action Plan specific to the park office. The two Safety Plans have been in use since 1998 when the former Lieutenant Ron Anderson of Coconino County Sheriff's Department assisted this park and Ken's Tours to develop the very first Safety Plans based on the Sheriff's Department's recommendations to address potential safety issues at the two slot canyons.

The Park Manager has made revisions to update the Safety and Emergency Evacuation Plans in the past 20 years as necessary. The latest revisions to the two Safety and Emergency Evacuation Plans and Emergency Action Plan were approved by the Department Manager on 8/23/16.

The Emergency Action Plan, a standard template, is the plan that has been adapted to address the needs of the park office for any potential emergency.

Contrary to the audit finding, the Safety and Emergency Evacuation Plans do specifically address the following for all users including park visitors; Scope of plan, limit of liability, park operations, Notice to be given to visitors, Park staffing, staff training and certifications, First Aid stations, emergency response management, informing park management, informing law enforcement, reporting emergencies, communications, helicopter

evacuation, deaths, distribution of the plan, and written report. Park personnel does follow the Emergency Evacuation Plans when a Flash Flood Warning is expected and when a Flash Flood Warning has been issued.

The Auditor General's statement that "the park manager does not train on emergency action plan" is totally untrue.

- Each park employee is assigned a copy of the park's Training Manual at the beginning of his/her employment with Lake Powell Navajo Tribal Park;
- Each park employee receives a weeklong training and orientation on the use of the Training Manual at the beginning for each tourist season. The department requires that each tribal park and other department programs to provide orientation and training for its personnel, especially the temporary personnel at the beginning of each tourist season in March or April;
- The Safety Plans/Evacuation Plan and Emergency Action Plan are part of the training and are included in the Training Manual for each park employee's use;
- In addition, extra copies of the Training Manual are available at each fee station as well as at the park office for staff use.

Ongoing efforts for emergency preparedness

1. In 2017, Park Manager and staff began working with the local Public Safety and Law enforcement agencies, National Park Service Emergency Response Team, Coconino Sheriff's Department, Coconino County Search & Rescue Team, Page Fire Department to address, assess, and improve ways to provide a safe visit for each visitor to Lower and Upper Antelope Canyon. These agencies are the real experts who are assisting our park staff to effectively manage emergency situations within our park premises. They are the experts who will provide guidance any revision needed for the Safety Plans for the slot canyons and the Emergency Action Plan for the park office.

- May 22, 2017 – Our park had an initial Meeting with Coconino County Sheriff's Department, National Park Service Emergency Response Team, "E" Security Company, and Page Fire Department to address several safety issues at Lower and Upper Antelope Canyon. Our park also provided copies of Lower and Upper Antelope Canyon Safety Plans for feedback from the meeting participants (*See Attached Agenda and Sign-in Sheet*).
- June 20, 2017 – The meeting at 4:00pm at Page Public Safety Building with Page Police Chief, Coconino County Sheriff's Department, National Park Service, Coconino County Search & Rescue Team was to identify each agency's role in response to any emergency situation in the greater Lake Powell-Page Area Including Antelope Canyon. We discussed what our park's needs were in terms of public safety, emergency and/or search and rescue operations.
- June 21, 2017 – Our park staff completed a walk-through Lower Antelope Canyon with Coconino County Search & Rescue Team, NPS Emergency Response Team, Coconino County Sheriff's Department for an assessment of any possible safety hazards inside of the canyon for trouble spots, locations where there are cell phone signals, GPS areas as locations where an injured person could be transported out of the canyon, and the nearest escape routes during emergency evacuations. Representatives from Ken's Tours and Lower Antelope Canyon Tours also joined the walk-through, and a briefing on the group's findings and recommendations (*See Attached Letter from Coconino County Sheriff's Office*).

- Jan. 24, 2018 – The next meeting with Coconino Search & Rescue and the other agencies that our park’s been working with. The meeting will include updates from each agency/entity, discussion about installations of anchors in Lower Antelope Canyon and Water Holes Canyon and conclude with discussion about warning signs to be installed and other potential safety issues for Water Holes Canyon.

Other Initiatives for Emergency Preparedness:

Calendar Year 2017 – Our park staff (Usually 2-3 employees) has been working with the tour operators by monitoring the tours conducted in the canyons (Lower and Upper Antelope Canyon) at least 4-5 days per week.

- The monitoring duties include verifying the total number of people with each tour guide for each scheduled tour, whether each tour guide and his tour is complying or staying on schedule to avoid delays, etc.
- For Upper Antelope Canyon, the park staff has to verify the total number of passengers in each tour vehicle with a tour guide for each scheduled tour, and whether the tour guides are staying on schedule (Compliance with tour schedule).

FINDING 2 - Lake Powell Navajo Tribal Park needs do more to alert park visitors about potential hazards and the need for safety precautions.

I disagree with the Auditor General’s statement that there are not posted signs specifically addressing potential hazards on park premises. I disagree because the park does have the “Flash Flood” warning signs as well as other posted signs in the Water Holes Canyon, Lower Antelope Canyon, and Upper Antelope Canyon areas. At the present time, new park signs that are more durable have been purchased to replace the old wooden signs.

Jan. 2017 – Our park received 62 new warning signs for Lower and Upper Antelope Canyon as well as other locations within the park. Since then, one maintenance worker has been fabricating metal frames for the signs before installing them onsite. Each sign requires specialized metal frames that are time-consuming to produce. Approximately, 10% of the new park signs have been installed, 50% are in various stages to final completion, and 40% of the signs are at the beginning stage. The signs are for use to alert and inform visitors of possible safety hazards at three locations; Lower Antelope Canyon, Upper Antelope Canyon, and Water Holes Canyon.

Park staff does have signs posted at the fee stations to inform visitors of other safety concerns such as flash flood watches/warnings, heat and/or wind advisory that might be in effect. The fee stations and park office are also equipped with training manuals that have safety phone numbers of law enforcement agencies and other emergency response agencies. The park staff at the fee stations and park office does issue Northern Arizona Flash Flood brochures to visitors that contain important information including the do’s and don’ts if a person is caught in a flash flood situation.

Park personnel and tour operators do inform park visitors about any weather alerts and potential evacuation plans should the weather conditions warrant the need to do so.

At fee stations and park office, park personnel provide two brochures to visitors, The 7 Wonders of Navajo land and Northern Arizona Flash Flood brochures.

- The 7 Wonders of Navajo land has park information on where to obtain backcountry use, permits, off-road travel, emergency phone numbers for Navajo Police, Navajo Rangers, Hospitals/Medical Facilities, and

contact information for obtaining hunting, fishing, trapping, boating, and commercial filming and photography (*See Attached 7 Wonders Brochure*).

- Northern Arizona Flash Flood brochures contains;
 - Important information about National Weather Service forecasts, outlooks, watches, and warnings, and contact information for road conditions, information about weather-related emergencies or safety hazards.
 - Website information addressing safety measures for visitors; a) potential hazards at the park, b) safety precautions, c) emergency contact information, and d) evacuation/alternate routes to exit park during an emergency, and e) weather alerts that may impact park visitation. The website address is <http://weather.gov/flagstaff>.

Contact phone numbers to local police, fire department, paramedics are available at the fee stations and park office, also available are the Safety and Emergency Evacuation Plans (For Upper Antelope Canyon and for Lower Antelope Canyon).

Each park employee is assigned a training manual that contains all the Safety and Emergency Evacuation Plans with all the emergency contact information that park staff can give to park visitors (*See Attached N.A. Flash Flood Weather Brochure*).

FINDING 3 - Lake Powell Navajo Tribal Park does not monitor tour operators for compliance with safety requirements.

This is a very broad statement by the Auditor General on the preparedness of tour operators without interviewing the twelve tour operators. I disagree with this issue because the park staff routinely monitors the Lower and Upper Antelope Canyon to ensure that tour operators comply with the terms of their tour agreement.

- The monitoring is ongoing during the busy season and offseason since the park staff is out in the field on most days.
- The Park Manager does communicate with tour operators by phone or emails and does meet with tour operators on as needed basis if there are issues that have to be discussed and resolved. There are times when the problem (s) to be addressed might involve a couple of tour operators or a single tour operator, each case is different. There might be some personnel matters that are confidential, and therefore require private meeting (s).
- As for any revision of the Navajo Nation Tour and Guide Service Act, that responsibility or authority rests with the Department Manager at the department level. The park manager and park staff have made several requests to the Department Manager within the last five years that the fees in the Navajo Nation Tour and Guide Service Act need to be updated.

As stated in response to Finding 1 above, contrary to the Auditor General's statements, park manager assigns monitoring duties to park personnel to monitor the guided tours for compliance to the tour permit agreements made based on the Navajo Nation Tour and Guide Service Act in Upper and Lower Antelope Canyon, 4-5 day per week. Park personnel also work with tour guides and visitors on adherence to park rules and regulations on ongoing basis.

Contrary to the Auditor General's statement, the park manager does provide written notices via email to tour operators if a written complaint has been filed, and allows the tour operator an opportunity to respond to the complaint in writing through email or through other means of written correspondence on corrective action needed. These types of communication between the park manager and park personnel are routine where majority of the non-compliance issues are corrected with no further action needed.

The park manager and park personnel do not have the enforcement training or duties so they have to rely on assistance from Navajo Rangers or Navajo Police Officer for any enforcement issue.

The Auditor General's recommendations to any tribal park based on comparison to the National Park Service is an unfair comparison, it is equivalent to comparing apples to oranges.

FINDING 4 – Lake Powell Tribal Park public safety is an ongoing concern shared by emergency management and safety departments.

The recommendations made by the Risk Management's Safety/Loss Program employee as well as recommendations received from other law enforcement agencies and emergency response teams were discussed with park staff and tour operators in several meetings during Summer & Fall 2017 where issues that were contributing to the overcrowding at Lower Antelope Canyon were identified, ways to widen the gap between tour time schedules, reduce the number of visitors per tour times were discussed.

Park manager and park staff have been meeting on a regular basis with tour operators to discuss the public safety issues in Summer and Fall 2017, two meetings are as follow:

- Aug. 10, 2017 – Meeting with Upper Antelope Canyon Tour Operators to address tour guides speeding to and from the canyon, type of customer service provided by tour guides, compliance issues such as adhering to tour schedule, max. number of visitors per schedule tour, CPR/FA Certs, Driver's license, insurance requirements, safety inside the canyon, etc. (*See Attached Aug. 10 Agenda*).
- Aug. 29, 2017 – Meeting with LeChee Chapter, BIA, Safety Loss Control Program, and Lower Antelope Canyon Tour Operators to address and resolve the overcrowding problem, the substandard turnout off N222 BIA Road (*See Attached Aug. 29 Sign-in Sheet*).
- Jan. 10, 2018 – Meeting with Lower Antelope Canyon Tour Operators to recap the tour activities during Christmas and New Year holidays, and updates from the Dec. 19, 2017 Meeting (*See Attached Jan. 10 Sign-in Sheet*).
- Based on the ongoing meetings with Lower Antelope Canyon Tour Operator during Summer & Fall 2017, the following changes have been implemented with the guided tours for Lower Antelope Canyon, effective as of January 1, 2018:
 - All photo tours (two-hour) have been eliminated from each tour company's schedule, mainly due to the fact photo tours pay a large factor in slowing down tours in the canyon which causes tour time delays;
 - The time increment has been increased from 20 to 30 minutes to allow additional time for each tour group to walk through the canyon before the next tour group enters the canyon;
 - To address the safety concerns for the stairs, the canyon will be closed to all visitors for a two-week period each January to allow for inspections, repairs, and preventive maintenance of the all

stairs to ensure the safety of its users. For 2018, the canyon closure for routine maintenance will be from January 17 -31, 2018;

- The number of visitors per tour times have been reduced by 47% from 2017 to help resolve the overcrowding issues.
- In addition to the changes already implemented regarding tour operation in Lower Antelope Canyon, Lake Powell Navajo Tribal Park staff is actively working with tour operators and several agencies described under Finding 1, to improve the safety of its visitors within the park premises.
 - To allow tour operators to open several hours earlier in the morning during the peak season (June-August) and close in early afternoon due to extreme temperatures in the afternoon;
 - The tour operators to hire extra employees to assist the park personnel in monitoring the tours in the canyons.

The Auditor General's statement that, "The risk of flooding is still high especially with the local dam from the nearby lake", is totally inaccurate and has no factual basis. The only nearby lake is Lake Powell which does not flow into any local dam on the Navajo Nation and; therefore, has no impact on any tour activity in Antelope Canyon.

The Auditor General's statement that "Safety plans were inconsistent with acceptable standards such as the required landing dimensions for a medivac helicopter that needs to land to transport a person (s) for emergency medical attention" has no factual basis. The Auditor General and staff have no expertise or specialized training to determine a landing dimension's acceptable standards.

As stated before in Finding 1, Lake Powell Navajo Tribal Park personnel will continue to improve its emergency preparedness and other public safety concerns with the assistance of Coconino County Search & Rescue Team and other agencies mentioned in Finding 1.

Contrary to the Auditor General and staff's reliance on Mr. Tallman of Safety/Loss Program as the only employee who was sent to Lower Antelope Canyon by the Auditor General's Office, the Lake Powell Navajo Tribal Park staff now has the assistance and guidance of local emergency response teams with years of specialized training as well as experience, responding to emergency situations.

II. CASH CONTROLS

Finding I: Lake Powell Navajo Tribal Park needs to strengthen its cash controls.

I disagree with the Auditor General's statement that \$6,323,501 was collected in cash during Fiscal Year 2016 due to the following:

- Park records show that Entrance fees collected by 12 tour operators were all paid by cashier's checks to the park;
- The total amount of entrance fees paid by tour operators in FY 2016 accounted for approximately, 83% of annual revenue (See Attached Breakdown of Fees Collected – FY 2016);
- Entrance fees and hiking fees collected in cash at fee stations & park office was approximately, 17% of annual revenue (See Attached Breakdown of Fees Collected in Cash – FY 2016).

Separation of Duties: Lake Powell Navajo Tribal Park has two Fee Collector Supervisors and an Office Assistant who all share duties to ensure that cash transactions are authorized, properly accounted for, documented, and identifiable to specific cash handlers:

- Fee Collectors collect the park fees at fee stations,
- Fee Collector Supervisor verifies funds collected and prepares deposits,
- Another Fee Collector Supervisor or Office Assistant make the bank deposits,
- One of the Fee Collector Supervisors performs reconciliations to ensure all transactions are recorded correctly;
- The Park Manager designates the staff to perform the duties to ensure that segregation of duties is maintained;
- Park Manager signs off on all cash deposit reports submitted to Cashier's Office.

The Navajo Nation Cashier's Office changed its cash receipt procedures with the introduction of new cash collection bags and new method of verifying cash at all tribal parks in 2015 or 2016. The new procedures and new methods took some time to be implemented, and there was some confusion as to where to order the new cash deposit bags, new arrangements had to be made with banking institutions to verify each deposit bag, etc.

The Auditor General's statement that, "park manager does not involve herself in the cash receipt process, and as such, does not properly monitor the park staff to make sure they are performing their assigned receipt duties and responsibilities", is not inaccurate and misleading:

- The park manager has been involved in all cash counts or verifying cash receipts from 1997 to 2015;
- In 2015-2016, when Navajo Nation Cashier's Office changed to new cash handling where the fee collector supervisors were the ones responsible to verify all cash receipts collected in new cash bags.
- The park manager is informed about and involved in resolving discrepancies or questionable cash handling activities such as shortages or overages;
- All deposit reports have to be concurred by the park manager prior to submittal to Navajo Nation Cashier's Office;
- In Summer 2017, the park manger implemented the use of a credit card machine at the park office to reduce the amount of cash that the park staff handles daily. The Navajo Nation Cashier's Office requires the fee collector supervisors to reconcile all credit card transactions and submit reports to Navajo Nation Cashier's Office daily.

The updates of cash receipt policies and procedures by the park manager have been ongoing since the early 2000s. The next update would include the changes in cash handling made by Navajo Nation Cashier's Office in 2016 and the latest changes made in September 2017 (*See Attached Weekly Recap Reporting*).

The park manager's segregation of the functions of collection, reconciliation, and deposit of cash to different park staff had begun shortly after the auditors performed their onsite visit to Lake Powell Navajo Tribal Park.

FINDING 2 – Lake Powell Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft.

Lake Powell Navajo Tribal Park has corrected the problem with cash receipts not being deposited daily at the beginning of 2017.

- With the latest cash handling changes made in September 2017, all funds collected by all tribal parks have to be deposited daily and deposit verification documents to be emailed to Navajo Nation Cashier's Office daily;
- Daily bank deposits of all funds collected are performed by park staff responsible for those routine daily tasks;
- The use of the credit card machine to receive payments for park permits has largely cut down on the amount of actual cash that park staff has to handle and account for.
- The Navajo Nation Cashier's Office/ Office of the Controller has authorized three park personnel authorized to make night deposits when the need arises; two fee collector supervisors and office assistant.

The park manager has assigned one of the fee collector supervisors to develop a bank deposit schedule so that park manager can monitor the deposit schedule for compliance.

FINDING 3 – Lake Powell Tribal Park needs to strengthen security controls to properly safeguard cash revenues.

In October 2017, the tribal parks were finally given permission to pursue security cameras and other surveillance equipment for use at tribal parks to improve security controls to safeguard funds and other Navajo Nation property.

However, due to uncertainty as to when the park staff will relocate to a temporary office space when the park office faces a major renovation, has been a major reason for the delay in getting security cameras. At the present time, the contractor who will be doing the renovation work, estimates that it might be until June 2017 when the staff will be moved to a temporary office building. This move will include relocating the safes in the office building where the safes housed in a separate room that is not near the visiting public area.

Conspicuous storage of cash: I disagree with the Auditor General's statement that the public can see the two safes. One safe (Drop Safe) is bolted and secured into the floor and situated behind other office furniture in a back corner of the room to conceal it. All funds collected are deposited into this locked safe to safeguard the contents until deposited to a bank. I disagree with the finding, *"One safe is left open for fee collectors to store cash receipts after their shifts and that cash receipts that are left there are unprotected until a deposit is made"*. The safe in question is called a "Compartment Safe" since it has two levels of locks for protection of its contents. First level of protection is the front steel door that has a combination lock. Inside this front steel door are eight small safes each with its individual safe combination lock for safeguarding its contents. Each Fee Collector is assigned a compartment safe to use for any permits, manual tickets, and banks or petty cash. These compartment safes are not used for nor suitable for cash receipts bags which require larger storage space.

In December 2017, the park manager assigned one of the fee collector supervisors to change combinations for all the safes and other inspections needed before the beginning of the next tourist season in the spring.

There is no report to support the finding that cash is not safeguarded. Whether it is one day or three days, any cash or checks awaiting deposit are secured and safeguarded in a locking safe until deposited to a bank.

FINDING 4 – Lake Powell Tribal Park does not verify the entrance fees collected by tour operators.

I disagree with this issue because the tour operators do provide their daily visitation reports and payments to Lake Powell Navajo Tribal Park office. The payments are in form of cashier's checks or money orders. The Auditor General has no research to support the finding that tour operators are not adhering to the honor system of paying accurate fees that they are collecting. My recommendation is that since the tour operators have to pay the N.N. Tax Commission on a quarterly basis, the Auditor General should follow up with the Tax Commission to determine if it has concerns about tour operators not reporting visits.

The scope of this audit is October 1, 2015 through September 30, 2016, which means the audit is already out of date.

THE NAVAJO NATION

RUSSELL BEGAYE
President

JONATHAN NEZ
Vice-President

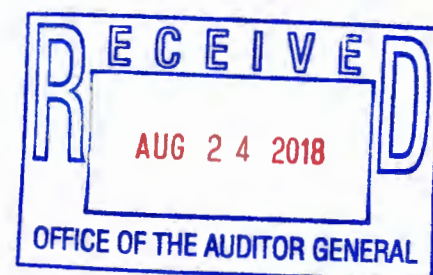



THE NAVAJO NATION
PARKS & RECREATION
DEPARTMENT

Martin L. Begaye
Department Manager

MEMORANDUM

TO: **Elizabeth Begay, CIA, CFE**
Auditor General
Office of the Auditor General



FROM: 
Effie M. Yazzie, Park Manager
Lake Powell Navajo Tribal Park
Navajo Parks and Recreation Department

DATE: **August 20, 2018**

SUBJECT: **CORRECTIVE ACTION PLAN (REVISED) FOR LPNTP**

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This memorandum shall serve as a written notification that the Revised Corrective Action Plan (CAP) for Lake Powell Navajo Tribal Park to address the audit findings for FY 2015 is attached herein (See Attachment).

If you have any question, I can be reached at 928-698-2808 or 928-645-0904 or by email to emyazzie@navajonationparks.org.

CONCURRENCE:


Martin Begaye, Department Manager


Date

CC: Rita Begay, ASO, Navajo Parks and Recreation Department
File

LAKE POWELL NAVAJO TRIBAL PARK CORRECTIVE ACTION PLAN (REVISED)

I. EMERGENCY PREPAREDNESS				
Finding:	Recommendations:	Corrective Measures:	Responsible Party:	Timeline:
<p>Finding 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.</p>	<p>1. Continue efforts to fully assess potential hazards that affect LPNTP; a) Identify safety precautions needed; b) Revise emergency action plan & canyon safety plans accordingly. 2) Continue to coordinate with law enforcement agencies & emergency responders to assist park in revision of emergency action plan & canyon safety plans.</p>	<p>1. a) LPNTP will seek assistance with Coconino County Emergency Response Team, NN Safety Loss Program or NN Dept. of Emergency Management to fully assess any potential safety hazard within the park premises. b) LPNTP will revise its emergency action plan and/or the two safety plans based on any assessment findings from Coconino County Emergency Response Team, NN Safety Loss Program or NN Dept. of Emergency Management. 2. LPNTP will continue its ongoing coordination with law enforcement and emergency response teams who serve the local area for any emergency response or safety related needs.</p>	<p>1, 2. Effie Yazzie, Park Manager Brenda Catron, Fee Collector Supervisor Helenita Nalwood, Fee Collector Supervisor Jerry Tadytin, Construction Supervisor</p>	<p>1,2. Reassess by Dec. 31, 2018 and revise the emergency action plans accordingly by Jan. 31, 2019.</p>
<p>Finding 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.</p>	<p>1. The park should a) Install a) visible signs; b) Create a brochure/flyer; c) Update website to provide important information to park visitors on potential hazards at the park & safety precautions they need to take for a safe park visit. 2. NPRD should monitor PM to make sure the park provides sufficient safety information.</p>	<p>1. a) LPNTP will complete the installation of 65 new visible signs and will maintain them thereafter. b) The Park will create flyers with park safety information to disseminate to visitors. The park will distribute Water Holes Canyon Safety Brochures to hikers for potential hazards and safety precautions. Water Holes Canyon Safety Brochures have been developed by Coconino County and LPNTP Staff to alert hikers about the potential dangers they face while hiking in Water Holes Canyon, these brochures are the property of Coconino County Sheriff Department Search and Rescue Operation. c) NPRD Media Representative is responsible for any update or any change to NPRD website under the direction of department manager. Media Representative is currently updating NPRD website. LPNTP Manager has made and will continue to provide recommendations to department manager for updates needed to the website. <i>LPNTP cannot be held</i></p>	<p>1. a) Jerry Tadytin, Construction Supervisor and Maintenance workers. b) Brenda Catron, FC Supv. and LPNTP Staff c) Martin Begaye, Dept. Mgr. Louise Tsinjinnie, Media Rep.</p>	<p>1. a, b) Jan. 31, 2019. c) Dec. 31, 2018.</p>

LAKE POWELL NAVAJO TRIBAL PARK CORRECTIVE ACTION PLAN (REVISED)

		<i>accountable for any revision of NPRD website under Corrective Action Plan for Finding 2, Item C.</i> 2. LPNTP manager cannot be held accountable for Corrective Action Plan for Finding 2, Item 2, because this is a recommendation for the NPRD Manager.	2. Martin Begaye, Dept. Mgr.	2. Jan. 31, 2019.
Finding 3: Lake Powell Tribal Park does not monitor tour operators for compliance with safety requirements.	<p>1) PM should recommend revisions to NN Tour & Guide Service Act to include specific instructions for monitoring tour operators.</p> <p>2) NPRD should provide onsite monitoring to verify tour operators' permits & compliance with NN Tour & Guide Service Act.</p> <p>3) PM should develop weekly monitoring schedule & use checklist to verify tour operators' adherence to safety requirements & providing required documentation.</p> <p>4) PM should meet with tour operators on quarterly basis for review of incident reports & safety requirements.</p> <p>5) PM should issue written notices to tour operators for noncompliance.</p> <p>6) PM & NPRD should enforce table of penalties if tour operators fail to take CAP.</p> <p>7) NPRD should continue its efforts to hire a park ranger with job duties & responsibilities similar to NPD to monitor park activities/enforce park rules & regulations for safety of staff</p>	<p>1. NPRD will revise NN Tour and Guide Service Act and include procedure on monitoring tour operations. PM will submit recommended revisions to NPRD Manager. LPNTP is not responsible for the revisions of the Act and LPNTP Manager cannot be held responsible for Finding 3, Item 1 in this Corrective Action Plan.</p> <p>2. LPNTP is currently monitoring tour operations and will continue to monitor tour operations at Upper and Lower Antelope Canyon for compliance with NN tour and Guide Service Act. Park manager will not be held accountable for Corrective Action Plan for Finding 3, Item 2, for any monitoring done by NPRD Manager.</p> <p>3. LPNTP will revise its weekly monitoring schedule to post at the Park office and fee stations. LPNTP will also develop a checklist based on NN Tour and Guide Service Act to verify tour operators' compliance with safety requirements and provide documentation.</p> <p>4. PM and FC Supervisors have been meeting with tour operators quarterly since Summer 2017. PM and FC Supervisors will continue its meetings with tour operators quarterly regarding any safety or compliance issues that might need to be addressed and corrected.</p> <p>5. PM has been and will continue to issue written notices by emails. In some cases, depending on the severity of the matter, a letter will be sent to any tour operator regarding any violation or non-compliance.</p> <p>6. Depending on the severity of the violation, LPNTP will resort to the Table of Penalties included in the tour operators' agreement for response for correction accordingly.</p> <p>7. LPNTP is not responsible for the hiring of Park Rangers and is not responsible for the Rangers' training. LPNTP will not be held accountable for Finding 3, Item 7 as part of this Corrective Action Plan.</p>	<p>1. Martin Begaye, Dept. Mgr.</p> <p>2. Brenda Catron, FC Supv., Helenita Nalwood, FC Supv. Fee Collectors</p> <p>3. Fee Collectors Brenda Catron, FC Supv., Helenita Nalwood, FC Supv.</p> <p>4. Effie Yazzie, Park Manger Brenda Catron, FC Supv. Helenita Nalwood, FC Supv.</p> <p>5. Effie Yazzie, PM or Person designated as Delegation of Authority in PM's absence.</p> <p>6. Effie Yazzie, PM or Person designated as Delegation of Authority in PM's absence.</p> <p>7. Martin Begaye, DM Ranger Sergeant</p>	<p>1. Jan. 31, 2019.</p> <p>2. Oct. 31, 2018.</p> <p>3. Sept. 30, 2018.</p> <p>4. Has been implemented since Summer 2017.</p> <p>5. Oct. 31, 2018.</p> <p>6. Sept. 30, 2018.</p> <p>7. Ongoing training for new hires and recruitment</p>

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	& visitors.	Department manager and Park sergeant have the responsibility for the selection/hiring of any Park Ranger per MOU between NPRD and Resource Enforcement Department. Rangers are mandated to complete all required law enforcement training and have to be commissioned and fully trained to assume enforcement duties at park areas. Any supervision of Park Ranger will be handled by NPRD Ranger Sergeant or Resource Enforcement Department Manager per MOU.	for vacant positions.
Finding 4: Lake Powell Tribal Park public safety is an ongoing concern shared by emergency management and safety departments.	<ol style="list-style-type: none"> 1. PM should collaborate with emergency management & safety programs to assess & determine best approach for tour operators to ensure visitor safety when conducting canyon tours. 2. PM should implement emergency management & safety programs' recommendations to help mitigate risks for potential liabilities. 3. PM should have periodic risk assessments of park safety to remain proactive in addressing potential issues such as congested crowds within the canyons. 4. PM should exercise greater control over tour operators & set time requirements for tours in the canyons. 	<ol style="list-style-type: none"> 1. LPNTP and Tour Operators will request sessions with Coconino County Emergency Response Team, NN Safety Loss Program or NN Dept. of Emergency Management to fully assess any potential hazard within the park premises. If the sessions are scheduled, the following will be discussed: <ol style="list-style-type: none"> a) Assess any potential safety hazards in the canyons, LPNTP and Tour Operators will revise their emergency action plans/safety plans as needed; b) Pursuant to new safety plans, LPNTP and Tour Operators will be able to determine the necessary changes to ensure visitors' safety in the canyons and park premises. 2. LPNTP and Tour Operators will implement the revised emergency action plan/safety plans as required. 3. LPNTP will conduct semi-annual assessments for any potential safety hazards or risk within the canyons and corrective action will be taken based on assessment findings. 4. LPNTP will continue the quarterly meetings with all tour companies to address all concerns. No photo tours for Lower Antelope Canyon. The time set for sightseeing tours for Lower Antelope Canyon is one hour. The time set for sightseeing tours is 1½ hours and photo tours is 2 hours for Upper Antelope Canyon. 	<ol style="list-style-type: none"> 1, 2. Jan. 31, 2019. 3, 4. Jan..31, 2019 and semi-annually thereafter.
II. CASH CONTROLS Finding 1: Lake Powell Tribal Park needs to	<ol style="list-style-type: none"> 1. PM should update cash receipt policies & procedures to address segregation of 	<ol style="list-style-type: none"> 1. Park Manager and supervisors will update cash receipt policies and procedures to address segregation of duties, reconciliation, verification of transactions, 	<ol style="list-style-type: none"> 1. Nov. 30, 2018.

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strengthen its cash controls.	duties, reconciliation, verification of transactions, and surprise cash counts. 2. PM should a) Segregate the functions of collections, reconciliation & deposit of cash to different park staff as feasible; b) If functions cannot be segregated, other compensating controls should be implemented.	and surprise cash counts. 2. a) Segregation of Duties shall be as follow: • FC collects park fees at fee stations • FC Supervisor verifies funds collected and prepares bank deposits; • Second FC Supervisor, Accounting Tech. or Office Assistant will make the bank deposits; • One of the FC Supervisors performs reconciliations to ensure all transactions are recorded correctly; b) If functions cannot be segregated, the following compensating controls shall be implemented: • FC collector collects park fees at fee stations • Second employee will verify funds collected and prepare bank deposits • Third employee performs reconciliations to ensure all transactions are recorded correctly and make bank deposits.	2. Effie Yazzie, Park Manager Brenda Catron, FC Supv. Helenita Nalwood, FC Supv. Fee Collectors Office Assistant Accounting Tech. (Vacant) Security Personnel (Vacant)	2. Has been implemented in 2017. Ongoing recruitment for vacant positions.
Finding 2: Lake Powell Tribal Park deposits of cash revenues need to be timely to minimize risk exposure to theft.	1. PM should require both fee collector supervisors to assist with bank deposits, esp. during peak season to avoid large amounts of cash on hand being left not deposited. 2. PM should develop a deposit schedule that specifies staff members responsible for making daily deposits that includes after business-hours deposits. 3. PM should work with Office of Controller to clarify with the bank the park staff authorized to make bank deposits. 4. PM should monitor deposits to ensure staff complies with deposit	1. a) Bank deposits will continue to be made daily. b) The use of credit card machine will continue to reduce the amount of cash to be collected. 2. Fee Collector Supervisors, Fee Collectors, Office Assistant, Accounting Technician, Park Manager, and Security Personnel are all authorized to make bank deposits during and after business hours. Bank deposits will be recorded on a deposit schedule. 3. NN Cashier's Office/ Office of the Controller has authorized two park staff to pick up deposit receipts. 4. A bank deposit schedule will be developed so that Park Manager can monitor the deposit schedule for compliance.	1, 2, 3 Brenda Catron, FC Supv. Helenita Nalwood, FC Supv. Fee Collectors Office Assistant Accounting Tech. (Vacant) Security Personnel (Vacant)	1, 2, 3 Have been implemented in 2017. Recruitment is ongoing for vacant positions. Sept. 30, 2018. 4. Effie Yazzie, PM – monitor.

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	schedules & are using bank night-drop during peak seasons.			
Finding 3: Lake Powell Tribal Park needs to strengthen security controls to properly safeguard cash revenues.	<p>1. PM should</p> <p>a) Develop security policies & procedures for security cameras & how they should be managed;</p> <p>b) Install security cameras at office building where safes are located and at entrance booths.</p> <p>2. Park should</p> <p>a) Replace safes with unknown combo numbers;</p> <p>b) Establish a process to routinely change safes combo numbers to prevent unauthorized access.</p>	<p>1.a) Park Manager and Fee Collector Supervisors will seek partnership with National Park Service for guidance to develop policies and procedures for security and management of security cameras.</p> <p>b) In Oct. 2017, NPRD gave tribal parks permission to pursue security cameras. Due to uncertainty as to when/where the park staff will relocate has been a major reason for the delay in getting security cameras.</p> <p>2.a) The park is in the process of working with a local locksmith to change combination numbers on all safes.</p> <p>b) As part of the policies and procedures, the combination numbers to all safes will be changed annually by a local locksmith.</p>	<p>1.a) Effie Yazzie, Park Manager Brenda Catron, FC Supv. Helenita Nalwood, FC Supv. Leona John, Senior Planner b) Effie Yazzie, Park Manager Brenda Catron, FC Supv. Helenita Nalwood, FC Supv. Jerry Tadytin, Const. Supv. Leona John, Senior Planner 2.a.b) Helenita Nalwood, FC Supv. Brenda Catron, FC Supv.</p>	<p>1.a) Dec. 31, 2018.</p> <p>b) Jan. 31, 2019.</p> <p>2. a,b) Nov. 30, 2018.</p>
Finding 4: Lake Powell Tribal Park does not verify the entrance fees collected by tour operators.	<p>1. Park should collect entrance fees at all times, regardless of season.</p> <p>2. PM should comply with general management plan when accounting for park revenues.</p>	<p>1. NPRD is currently taking job applications to fill 3 fee collector positions. Based on whenever NPRD fills the vacant positions, then LPNTP will be able to open one fee station. LPNTP does not have enough FC positions in NPRD budget to operate a second fee station.</p> <p><i>LPNTP cannot be held responsible for advertising/hiring of fee collectors under Finding 4, Item 1, that is the responsibility of NPRD Administrative Service Officer supervised by NPRD Manager.</i></p> <p>2. During the periods that LPNTP is not collecting fees at fee stations, LPNTP will follow procedures listed to verify park entrance fees collected by tour operators: Review, record in daily journal all weekly/monthly reports and payments submitted by tour operators. Prepare deposit slips and make bank deposit (s). Conduct onsite meetings with tour operators quarterly to review the tour operators' computer systems and hardcopies of transaction breakdowns and daily closeout reports to verify payments and reports</p>	<p>1. Martin Begaye, Dept. Manager, Rita Begaye, ASO Brenda Catron, FC Supv. Helenita Nalwood, FC Supv. Fee Collectors</p> <p>2. Effie Yazzie, Park Manager Brenda Catron, FC Supv. Helenita Nalwood, FC Supv. Accounting Tech. (Vacant) Office Assistant</p>	<p>1. Ongoing.</p> <p>2. Nov. 30, 2018.</p>

**LAKE POWELL NAVAJO TRIBAL PARK
CORRECTIVE ACTION PLAN (REVISED)**

			received. Park Manager and park staff will reference General Management Plan to regulate park revenues.		
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BUDGET AND FINANCE COMMITTEE

September 18, 2018

Regular Meeting

VOTE TALLY SHEET:

Legislation No. 0297-18:

An Action Relating to the Resources and Development Committee and the Budget and Finance Committee; Accepting the Internal Audit of Lake Powell Tribal Park Submitted by the Office of the Auditor General, and Approving the Corrective Action Plan for Lake Powell Tribal Park Submitted by the Navajo Parks and Recreation Department *Sponsored by Seth A. Damon, Council Delegate*

Motion: Tuchoney Slim, Jr.

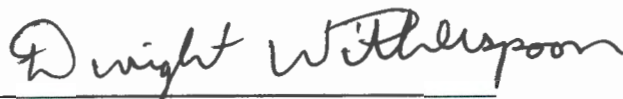
Second: Lee Jack, Sr.

Vote: 3-0, Vice Chairman not voting

Vote Tally:

Seth A. Damon	yea	
Dwight Witherspoon		
Tom T. Chee	yea	
Lee Jack, Sr.		
Leonard Tsosie		
Tuchoney Slim, Jr.	yea	

Absent: Leonard Tsosie, Lee Jack, Sr.



Dwight Witherspoon, Vice Chairman
Budget & Finance Committee



Peggy Naka, Legislative Advisor
Budget & Finance Committee