

## SUMMARY

The Navajo Nation Office of the Auditor General has conducted a performance audit of the Navajo Nation Washington Office (NNWO), including a special review of the NNWO petty cash account. The audit of the NNWO was conducted pursuant to Navajo Nation Code Title 12 Sections 2 (A)(2) and 3 (E).

**FINDING I: NNWO Can Improve in Monitoring, Analyzing and Reporting Federal Legislation and Issues Affecting the Navajo Nation.**

The NNWO plan of operation requires the NNWO to monitor, analyze and report all congressional legislation and federal administration activities that affect the Navajo Nation. The NNWO can improve in meeting its legislative purpose. The NNWO response time to Navajo Nation inquiries on the status of federal legislation, its analysis of federal legislation that affect the Navajo Nation and its overall reporting of congressional actions and activities to the Navajo Nation officials could be improved.

**FINDING II: NNWO Can Improve in Promoting Navajo Nation Interests in Congress and Federal Agencies.**

The NNWO plays a crucial role in promoting Navajo Nation interests in Congress and federal agencies. According to the NNWO plan of operation, the purpose of the NNWO is to enhance the success of the Navajo Nation government's goals and objectives by strengthening the control and influence of the Navajo Nation over the activities of the federal government. Accordingly, the Navajo Nation officials rely on the NNWO to advocate their interests and issues to federal officials. The NNWO's role in the development of the Navajo Nation federal appropriation requests and legislative concerns could be enhanced. In addition, the NNWO can further involve all branches of the Navajo Nation government in its advocacy efforts.

**FINDING III: NNWO Advocacy Efforts are Hampered by the Lack of a Strategic Advocacy Plan.**

Federal and state grants/contracts account for approximately 60 percent (\$300 million) of the Navajo Nation's \$500 million annual revenues. This share of external funds to the overall Navajo Nation revenue highlights the importance of advocacy efforts to increase support for the Navajo Nation initiatives, and promote greater receptivity to the Navajo Nation's federal appropriation requests and legislation policy positions and proposals in Congress and federal agencies. The NNWO efforts in promoting the Navajo Nation interests are hampered by the lack of a strategic advocacy plan. An advocacy strategy can help foster better communication between the NNWO and Navajo Nation officials and strengthen the task of conveying consistent messages to Congress and federal agencies. Additionally, the NNWO can improve in tracking its strategic contributions and elevating its strategic value to the Navajo Nation government.

**FINDING IV: Control Weaknesses Diminish Accountability of NNWO Checking Account.**

Maintaining imprest funds is a common practice by most organizations, including governments. However, to ensure proper accountability for such funds, strong internal controls are needed to minimize the risks that come with imprest funds. Our review has revealed that the controls for the NNWO checking account need to be strengthened, including updating the current policies and procedures, establishing a check register, and better monitoring of account activities. However, the Navajo Nation needs to be mindful that maintaining imprest funds involve high administrative costs and risks.

**FINDING V: NNWO Checking Account is not Being Used for its Intended Purpose.**

In addition to the normal procurement process at the central government, the NNWO also uses a checking account as a petty cash account to carry out its program purpose and objectives. However, the checking account is still subject to Navajo Nation procedures and regulations. Our review found that the NNWO checking account was not used for its intended purpose. Expenditures lack full accountability and there was no proof of competitive procurement for goods/services acquired through the checking account.

In addition to the five findings summarized above, the audit report contains 14 recommendations for improving the NNWO operations.