

**THE NAVAJO NATION AND RELATED ENTITIES**

Schedule of Findings and Questioned Costs

September 30, 2021

**Finding 2021-001 – Allowable Costs (Continued)**

To enhance the internal controls over the procurement of goods and services, the Navajo Nation Office of the Controller (OOC) will create training materials on procurement processes and requirements, to assist procuring parties understand their responsibilities in the procurement and management of goods and/or services, when using federal funds. This flowchart on procurement will be completed and posted on the OOC website for easy access by all Navajo Nation procuring parties.

Additionally, the OOC will recommend to Navajo Nation leadership a review of the Navajo Nation's current procurement policies for amendment as leadership finds necessary.

Elizabeth Begay, Acting Controller, Office of the Controller, will oversee the implementation of the planned corrective action by September 30, 2022.

**Finding 2021-002 – Allowable Costs**

**Entity** – Navajo Nation

**Federal Agency** – U.S. Department of Treasury – Coronavirus Relief Fund

**Federal Program Title** – COVID-19 – Coronavirus Relief Fund

**Assistance Listing No.** – 21.019

**Federal Award Number** – SocSEC Act S601(a) S5001 CARES

**Grant Award Periods** – 2021

**Impact of Finding** – Significant Deficiency in Internal Controls Over Compliance

**Repeating Finding** – This is not a repeat finding.

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

*Criteria:*

2 CFR § 200.303 requires the recipient of federal funds establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

*Condition/Context:*

We were unable to identify a control we could test related to the approval and disbursement of payments made by the vendor the Navajo Nation outsourced the hardship payments under the program. We were also unable to obtain supporting documentation to support sufficient controls were in place over disbursements approved and made by Navajo Nation. However, out of the 45 hardship payments tested that were made to individuals, no exceptions were noted in our compliance testing.