

**CROW TRIBE
ABANDONED MINE LAND
ANNUAL REPORT
EVALUATION YEAR 1999**



**PREPARED BY THE
OFFICE OF SURFACE MINING
CASPER FIELD OFFICE
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Part I. General

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) created the Office of Surface Mining Reclamation and Enforcement (OSM) in the Department of the Interior to oversee the regulation of coal exploration and surface coal mining and reclamation operations and the reclamation of lands adversely affected by past mining practices. SMCRA provides that, if certain conditions are met, a State may assume primary authority for the reclamation of abandoned mine lands within its borders.

Because legislation for Tribes did not exist, a supplemental appropriations bill (Public Law 100-71) was enacted on July 11, 1987, to amend SMCRA and to authorize the Crow, Hopi, and Navajo tribes the right to obtain the Secretary of the Interior's approval of the Abandoned Mine Land Reclamation (AMLR) programs without first having regulatory programs as required by Section 405 of SMCRA. Once a Tribe has an approved AMLR program, OSM has responsibility to make investigations, evaluations, and inspections necessary to determine if the Tribal program is being administered in accordance with approved program provisions. The Crow AMLR Program was approved by OSM on January 4, 1989. The Tribe established a Crow Office of Reclamation (COR) to administer its abandoned mine land program.

The Crow Reservation, an area approximately 2,226,000 acres, is located in south-central Montana adjacent to the Wyoming border. Adjoining the reservation to the north is the 1,100,000 acre Crow Ceded Area, where the Crow Tribe of Indians holds extensive mineral rights. Prior to 1904, the Ceded Area was a part of the reservation. Congress required the Tribe to return the surface rights to the area to the United States through legislation enacted in 1904. The surface was then acquired by non-Indians. The Tribe retained ownership to the minerals, and has AMLR reclamation jurisdiction for the Ceded Area. Numerous small abandoned mines are located on the reservation and the Ceded Area. Historically, coal was mined for local domestic use by residents of the area.

The Tribe concentrated its reclamation efforts during the evaluation year on four low priority coal sites. Construction on two of the sites were continued from the previous evaluation year. Construction on these sites consisted of final topsoiling, seeding and mulching. The other two sites were started and completed during this evaluation period. The Tribe has been unable to obtain access to the few remaining high priority coal sites. Landowners where the sites are located have denied access for various reasons. The Tribe continues to work with these landowners in an attempt to obtain consensual access. As a result, all accessible high priority sites on the reservation have been reclaimed. Only low-priority coal projects remain.

All reclamation funds to support the Tribe s program are generated from the one active mine located in the Ceded Area. Calendar Year 98 production from this mine was

approximately 6.5 million tons. This resulted in an FY99 allocation to the Tribe of \$523,831 of Tribal share AML funds. This level of funding qualifies the Tribal program as a minimum program under SMCRA. Normally this would have resulted in a supplement of Federal Share funds of up to \$1.5 million if sufficient high priority coal projects existed on the Abandoned Mine Lands Inventory System (AMLIS). In past years, the Tribe has received and accumulated supplemental funds from the Federal share sufficient to reclaim all remaining hazardous abandoned coal mine related problems recorded in AMLIS. Therefore no additional Federal share funds were provided to the Tribe in the FY99 allocation. The FY99 allocation plus the accumulated Tribal share funds from prior years were sufficient to provide approximately \$710,000 to the Tribal AML Program in the FY99 grant. If access is not obtained for the remaining high priority coal sites or additional high priority coal sites are not identified, the Tribe will continue to be limited to the use of Tribal share funds.

The COR administrative staff is made up of 5 full time employees. This staff is responsible for the direction of all construction activities as well as all administrative functions of the program. To assure an acceptable level of control, OSM in their approval of the Crow Tribe AMLR program, required that the administrative functions such as grant application preparation, progress report preparation, payroll, procurement, property management, and all financial activities be separate from the Tribal systems. All construction to date has been accomplished with hand tools and manual labor.

The AML program is a major contributor to the economy of the Tribe. During the construction season of this evaluation year, the COR was one of the largest employers on the reservation. Approximately 60 laborers and foremen were employed to reclaim AML sites.

The 1998 evaluation period started on October 1, 1998 and concluded September 30, 1999. Evaluation of the Tribal AML program is conducted by OSM's Casper Field Office (CFO) located in Casper, Wyoming. Evaluation methods are based upon OSM Directive AML-22 and a Programmatic Agreement between the COR and OSM. This Agreement incorporates a shared commitment by the Tribe and OSM in determining how oversight will be conducted. The Tribe takes an active role in the entire oversight process. The Agreement was designed to evaluate whether the Tribe, through its AMLR program, is achieving the overall objective of Section 102 of SMCRA which states that AMLR programs are to:

"... promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public ..."

Through the Agreement, specific topics are identified for review and review methodologies are developed for the evaluation period. The reviews are designed to result in an overall measure of the Tribe's success in achieving planned reclamation goals. By focusing on end results, OSM is able to determine the root causes of problems and concentrate its resources on prevention by providing assistance to the Tribe to improve its program.

OSM and the Tribe agreed the evaluation efforts for this year should concentrate on the deficiencies noted during the previous evaluation period. Therefore, the Programmatic Agreement used for the previous evaluation year was used for this evaluation year. This allowed the evaluation of the same areas using the same methodology to determine if the problems from the previous year had been corrected.

During the previous three evaluation years the CFO identified significant problems in the areas of project inventory maintenance; funds control; accounting procedures for travel expenditures, payroll and purchase order control; timeliness of financial and performance reports; and property control.

This year's evaluation revealed that some improvement has occurred in the administrative area but that the Tribe continues to have problems in the areas of project inventory maintenance; accounting procedures as they relate to travel advances, purchase order control; and timeliness of financial and performance reports. Deficiencies resulted in outstanding travel advances in excess of two years, a delay of AML program funding by OSM, and inaccurate records of program accomplishments in AMLIS. OSM and the Tribe will structure a Performance Agreement for the next evaluation year to address the remaining deficiencies.

Overall reclamation success was achieved on all construction projects completed during the evaluation year. The planned reclamation goals for all of the sites have been achieved with the exception of minor maintenance work such as final weed control and incidents of sparse vegetation.

Part II. Results of Enhancement and Performance Reviews

Because of the weaknesses identified in the 1998 evaluation year, the same Performance Agreement was used for the 1999 evaluation year. Three Principles were identified in the Performance Agreement. They are: (1) Program States and Indian tribes must have approved reclamation plans which meet the requirements of Federal laws and regulations and conduct reclamation in accordance with their plan; (2) on-the-ground construction is to be achieved in a timely, cost-effective manner; and (3) programs should have systems in place to ensure accountability and responsibility for spending AML funds and a process to assure that such systems are working. Specific areas of interest within the first three principles were reviewed. The specific areas of interest for the first principle were

maintenance of the approved Reclamation Plan and project inventory maintenance. Overall reclamation success was evaluated for the second principle. Five specific areas of interest applied to the third principle. They included timeliness of drawdowns, adequacy of accounting procedures, timeliness of applications and reports, timeliness of A-128 audits and implementation of audit recommendations, and adequacy of procurement and management of property and services.

Appendix A contains the "Enhancement and Performance Review Reports" reflecting the details of the reviews conducted during the evaluation year.

Part III. Accomplishments and Inventory Reports

Prior to the effective date of SMCRA, coal mining on the Crow reservation resulted in hazards relating to abandoned equipment and facilities and unreclaimed subsidence, vertical openings, portals, highwalls and impoundments. Unreclaimed environmental problems consisted of spoil piles, pits, gob piles, haulroads, and minor highwalls. Three deaths and six injuries are known to have occurred in association with abandoned mines. No deaths or injuries have occurred in recent years.

During this evaluation year the Crow Tribe completed reclamation on four coal projects. These projects were low priority projects consisting of minor highwalls, benches, pits, gob piles, slumps, and haulroads. Approximately eight acres were reclaimed.

Since implementation of their approved AMLR program, the COR has eliminated safety hazards and threats to the environment posed by unreclaimed mines. Reclamation has involved coal and non-coal mines as provided for in SMCRA. Table 1 reflects the accomplishments of the Crow AML Reclamation Program since its inception and those problems which remain to be reclaimed. The reclamation accomplishments reflected in the Table have enhanced surrounding areas and returned the land to a condition that is of greater use to the Crow Tribe and others.

TABLE 1

ABANDONED MINE LAND RECLAMATION NEEDS AND ACCOMPLISHMENTS SINCE PROGRAM APPROVAL							
Problem nature	Unit	Coal-related problems				Noncoal-related problems	
		Abatement status			Total	Abatement status	
		Unfunded	Funded	Completed		Funded	Completed
Priority 1 & 2 (Protection of public health, safety, and general welfare)							
Clogged streams	Miles	-	-	1	1.0	-	-
Clogged stream lands	Acres	-	-	-	0.0	-	-
Dangerous highwalls	Lin. Feet	-	-	1765	1,765.0	-	352
Dangerous impoundments	Count	-	-	1	1.0	-	-
Dangerous piles & embankments	Acres	1	-	21.6	22.6	-	3.3
Dangerous slides	Acres	-	-	-	0.0	-	1
Gases: hazardous/explosive	Count	-	-	-	0.0	-	-
Underground mine fires	Acres	-	-	-	0.0	-	-
Hazardous equip. & facilities	Count	5	-	31	36.0	-	-
Hazardous water bodies	Count	-	-	1	1.0	-	-
Industrial/residential waste	Acres	-	-	-	0.0	-	-
Portals	Count	3	-	12	15.0	-	-
Polluted water: agric. & indust.	Count	-	-	2	2.0	-	-
Polluted water: human consumption	Count	-	-	-	0.0	-	-
Subsidence	Acres	7	-	-	7.0	-	-
Surface burning	Acres	-	-	-	0.0	-	-
Vertical opening	Count	-	-	4	4.0	-	-
Priority 3 (Environmental restoration)							
Spoil areas	Acres	15	-	23	38.0	-	3
Benches	Acres	-	-	5.6	5.6	-	-
Pits	Acres	6	1	12.5	19.5	-	4
Gob piles	Acres	8	1	26.8	35.8	-	-
Slurry ponds	Acres	-	-	.1	0.1	-	-
Haul roads	Acres	7	-	12.7	19.7	-	-
Mine openings	Count	1	-	2	3.0	-	-
Slumps	Acres	1	1	3.6	5.6	-	-
Highwalls	Lin. Feet	34	0	1995	2,029.0	-	300
Equipment/facilities	Count	-	-	-	0.0	-	-
Industrial/residential waste	Acres	-	-	-	0.0	-	-
Water problems	Gal./min.	-	-	-	0.0	-	-
Other	---	-	-	-	0.0	-	-
Note: All data in this table are taken from the Abandoned Mine Land Inventory System (AMLIS).							

APPENDIX A

ENHANCEMENT AND PERFORMANCE REVIEW REPORTS

**CROW TRIBE OF INDIANS AML PROGRAM
ENHANCEMENT AND PERFORMANCE REVIEW REPORT
EVALUATION YEAR 1999**

Principles Being Evaluated: Program States and Indian tribes must have approved reclamation plans which meet the requirements of Federal laws and regulations and conduct reclamation in accordance with their plan.

Subelement: Maintenance of Approved Reclamation Plan

Review Dates: Continuous

Personnel: Hugh White Clay (COR) and Orvel Gustafson (CFO)

Background: AML Reclamation Plans must be amended to comply with changing requirements of SMCRA.

Review Methodology: The Tribal program was continually monitored to assure that any new changes to SMCRA are not implemented without the necessary changes to the program.

Population / Sample: The population and sample size consisted of all potential AML Plan changes.

Findings and Conclusions: The Tribe made no changes to reclamation and related activities during the evaluation period that would require amendments to the Tribe s AML Reclamation Plan.

Corrective Actions: No corrective action is necessary.

**CROW TRIBE OF INDIANS AML PROGRAM
ENHANCEMENT AND PERFORMANCE REVIEW REPORT
EVALUATION YEAR 1999**

Principles Being Evaluated: Program States and Indian tribes must have approved reclamation plans which meet the requirements of Federal laws and regulations and conduct reclamation in accordance with their plan.

Subelement: Inventory Maintenance

Review Dates: Continuous

Personnel: Hugh White Clay Crow (COR) and Orvel Gustafson (CFO)

Background: OSM's Abandoned Mine Land Inventory System (AMLIS) is an inventory of AML problems. The inventory is used to determine the extent of AML problems and related reclamation accomplishments. AMLIS is also used in determining funding levels for minimum programs. States/Tribes are responsible for maintaining a current inventory of AML projects. This is to be accomplished by the States/Tribes updating the inventory through direct automated access to AMLIS. The review conducted during the last evaluation period (1998) revealed that the Tribe's inventory of projects was incomplete and inaccurate. Thus this topic was again chosen for review during this evaluation period.

Review Methodology: The Tribe's process for maintaining a complete, current, prioritized inventory of eligible unreclaimed sites was reviewed for consistency with the Reclamation Plan. The procedures were tested through a review of the Tribe's internal inventory maintenance activities concerning the sampled sites. The review measured their effectiveness in entering accurate inventory data into AMLIS. The accuracy of the data contained in the Tribe's internal inventory and the data input into AMLIS was verified through project documentation, OSM's knowledge of the sites obtained during site visits and ongoing communications with Program personnel.

Population / Sample: The population consisted of all reclaimed sites and all sites identified for reclamation in the future. The sample consisted of the entire population. The population/sample consisted of forty six sites. Twelve of the sites were Priority 1 & 2 coal sites. The remaining sites (thirty four sites) were high Priority non-coal and Priority 3 coal sites.

Findings and Conclusions:

The inventory appeared to be accurate for the high priority coal sites. Data entry errors concerning the non-coal and Priority 3 sites continue to be a problem. Errors included duplicate and erroneous problem area numbers, inaccurate problem types, and inaccurate or

missing cost data. It appears that any new PAD s or updates where additional work is being done on projects are being completed are entered correctly . However, old PAD s have not been reviewed and corrected. As a result of these deficiencies, the Tribe s inventory contained in AMLIS is inaccurate and incomplete and can not be relied upon to determine the reclamation accomplishment of their program. This is in direct contradiction with the principle being measured and must be corrected.

Corrective Actions: The Tribe has been directed to finish correcting the inventory during the upcoming evaluation year. The CFO will monitor this activity again in the upcoming evaluation year to assure that all deficiencies are corrected.

**CROW TRIBE OF INDIANS AML PROGRAM
ENHANCEMENT AND PERFORMANCE REVIEW REPORT
EVALUATION YEAR 1999**

Principles Being Evaluated: On-the-ground reclamation is to be achieved in a timely, cost-effective manner.

Subelement: Overall Reclamation Success

Review Dates: Continuous

Personnel: Hugh White Clay Crow (COR), Johnny Stewart (COR), and Orvel Gustafson (CFO)

Background: The Tribe contracts its design activities to a private consulting firm. AML sites are to be reclaimed to the design specifications. The objective of oversight is to determine if the reclamation projects have achieved their goal, as defined in preconstruction specifications. This is defined as overall reclamation success .

Review Methodology: The evaluation of the overall reclamation success consisted of site inspections of the sample of completed projects to determine if the Tribe's reclamation objectives were met. A review of the Tribe's internal project documentation and the National Environmental Policy Act documentation was reviewed prior to each site visit to determine the reclamation objectives for the project.

Population / Sample: The population consisted of all reclamation projects completed during the last five evaluation years. The sample consisted of one reclamation project completed during the evaluation year. This was the largest project completed during the evaluation year.

Findings and Conclusions: Overall reclamation success is being achieved by the Tribe.

Corrective Actions: No corrective action is necessary.

**CROW TRIBE OF INDIANS AML PROGRAM
ENHANCEMENT AND PERFORMANCE REVIEW REPORT
EVALUATION YEAR 1999**

Principles Being Evaluated: Programs should have systems in place to ensure accountability and responsibility for spending AML funds and a process to assure that such systems are working.

Subelement: Drawdown and Disbursement

Review Dates: December 9, 1999

Personnel: Phylene Big Man (COR), and Orvel Gustafson (CFO)

Background: The US Treasury requires that grant recipients minimize the time between the transfer of funds from the US Treasury and the pay out of funds for program purposes to the shortest time administratively possible. The COR makes all payments for their program through check payment. These payments are for payroll and all other costs and are paid biweekly. Timing of drawdowns is made to assure that check issuance occurs on the same day that funds from the drawdown are received in the COR's bank account. The review was conducted to comply with the US Treasury requirement that granting agencies review the grantees drawdown activities to assure that drawdowns are timely and that no excess funds are being held by the grantee.

Review Methodology: The analysis consisted of a review of month-end bank account reconciliations to determine if the book/bank balances are \$0 as of the last day of the month.

Population / Sample: The population consisted of all month end bank balance reconciliations from October 1, 1998 through September 30, 1999. The sample consisted of the entire population.

Findings and Conclusions: The review revealed that the Tribe had made a duplicate drawdown for a tax deposit in late October and early November 1998 and made a duplicate drawdown for all expenditures associated with the first payment of January 1999 expenditures. The duplicate drawdowns resulted in the Tribe holding excess funds of approximately \$23,000 until the errors were discovered and corrected in April 1999. No substantial excess funds were held from April through September 1999. It appears that the errors were isolated and were not related to a current systemic problem.

Corrective Actions: No corrective action is necessary.

**CROW TRIBE OF INDIANS AML PROGRAM
ENHANCEMENT AND PERFORMANCE REVIEW REPORT
EVALUATION YEAR 1999**

Principles Being Evaluated: Programs should have systems in place to ensure accountability and responsibility for spending AML funds and a process to assure that such systems are working.

Subelement: Accounting Procedures

Review Dates: February 2 and December 9, 1999

Personnel: Laura Pretty Weasel (COR), Elizabeth Other Medicine (COR), Neal Jacquot (CFO), and Orvel Gustafson (CFO)

Background: Grant recipients are required to account for all program income and expenditures, using generally accepted accounting practices. The Tribe's AML program does not generate program income. Expenditures are a result of payroll, travel, and accounts payable transactions. The COR pays payroll biweekly. The greatest amount of payroll activity occurs during the construction season. Travel occurs primarily for training and meetings with OSM. Some procurement actions require travel. Accounts payable mainly result from the COR's procurement of rental space, supplies, vehicles and gas related services, and utility services. In almost all instances payment of these account payables is conducted on a monthly basis. Due to the risk associated with a potential lack of internal controls necessary for these activities the associated accounting procedures were selected for review.

Review Methodology: The CFO reviewed all policies and procedures relating to payroll, accounts payable and travel and tested transactions to ensure that the Tribal policies and procedures were being implemented.

Population / Sample: The population consists of all payroll, travel and accounts payable transactions occurring during EY99. The payroll sample this evaluation year was limited to a review of two errors reveal during the last evaluation year to determine if the errors had been corrected. Since payroll errors were minor in the previous year, no further sampling was done. There were major problems associated with travel in the previous evaluation year concerning unpaid excess travel advances and unfiled travel vouchers. Therefore, the travel sample consisted of all trips where problems were detected during the previous year to determine that the missing vouchers had been filed and that excess travel advances had been collected. The accounts payable sample consisted of all purchase order transactions errors and control weakness detected in the previous year evaluation to determine that corrections had been made.

Findings and Conclusions: This year's payroll evaluation showed that the payroll errors found in the previous year's evaluation had been reviewed and documentation provided showing that the payroll errors were recordkeeping errors only and that there were no errors in the amounts paid.

During the last evaluation year, the CFO found that there was a total lack of control for the reconciliation of travel advances with travel expenditures. Eleven AML trips had been taken during the period sampled. Travel advances were provided to the traveler for all of the eleven trips. Travel vouchers or trip reconciliations had not been filed for any of the eleven trips. Therefore, it was unclear whether there was travel advance funds due from the traveler. The Tribe was directed to immediately reconcile travel advances, collect any outstanding advance balances, and establish procedures that will control travel advances in the future.

Our review this evaluation year revealed that all travel vouchers examined in the previous year had been reconciled with travel advances. However, there were five instances where the reconciliations resulted in amounts due from the traveler where the amount due had not yet been collected from the traveler. Travel relating to some of the amounts due occurred more than two years ago. All of the travelers, including one contractor, which owe the excess advance amounts are currently working for the AML program. The Tribe was instructed to immediately establish payroll deductions for the employees and to withhold the contractors excess advance from a pending payment to recover the excess advances.

During previous evaluation years, the CFO found that COR's purchase order file was not up to date. Purchase orders were either missing, unkept, or were not in sequential order. No system was in place to control the orderly issuance of and record keeping of purchase orders. This weakness was previously identified during the EY 96, EY 97 and EY98 evaluations. There has been improvement in this area during each succeeding evaluation year but further improvement is needed. The CFO found that further improvement occurred during this evaluation year but that the Tribe's records did not contain copies of some purchase orders and that they were not being issued in sequential order. The problem appears to be a recordkeeping deficiency only and that no improper procurements have occurred because of this control weakness.

Corrective Actions: The Tribe must recover all outstanding travel advances and improve controls over the issuance of purchase orders and maintenance of purchase order records.

**CROW TRIBE OF INDIANS AML PROGRAM
ENHANCEMENT AND PERFORMANCE REVIEW REPORT
EVALUATION YEAR 1999**

Principles Being Evaluated: Programs should have systems in place to ensure accountability and responsibility for spending AML funds and a process to assure that such systems are working.

Subelement: Timeliness of Applications and Reports

Review Dates: Continuous

Personnel: Hugh White Clay (COR), Phylene Big Man (COR), and Orvel Gustafson (CFO)

Background: The Tribe's grant/amendment applications for funds, interim and closeout reports, and requests for Authorizations to Proceed with projects must meet OSM's established timeframes. Grant/amendment applications are required sixty days before the requested effective date of the grant, interim reports are due thirty days after the end of the reporting period and closeouts are required ninety days after the end of the grant period. Requests by the Tribe for Authorizations to Proceed with projects require sixty days lead time to allow OSM to perform historic preservation consultations and obtain necessary approvals. These timeframes were established to assure that funding and project approval actions will result in continuous program operations and timely and accurate recordation of accomplishments and financial data relating to the Tribal AML Program.

In past evaluation periods, the Tribe has not met the established timeframes for grant action applications, financial and performance reports and requests for Authorizations to Proceed with projects. During these periods, the Tribe's delinquencies have resulted in untimely and inaccurate recording of the Tribe's financial and performance data. This has been a continuing problem as noted in CFO oversight as well as in past A-133 audits.

Review Methodology: CFO continuously reviewed the timing of Tribal submissions of grant/amendment applications for funds, interim and closeout reports, and requests for Authorizations to Proceed with projects to assure that they met OSM's pre-established timeframes which would result in continuous program operations.

Population / Sample: The population consisted of all grant/amendments applications, requests for Authorizations to Proceed, and reports required during EY99. The sample equaled the population.

Findings and Conclusions: The Tribe continued to have problems concerning the timely

submittal of an FY99 grant amendment. The delinquent application resulted in the AML Program s inability to continue construction operations. Construction workers were laid off for a one month period and than brought back to work using funds from the administrative subaccount for approximately three weeks until additional construction funds were awarded. At that time funds were adjusted from the construction subaccount to replace the administrative subaccount funds used for construction.

Corrective Actions: Since report and grant application delinquencies have been a continual problem in the past, the Tribe must develop procedures where reports and grant application are submitted in a timely manner.

**CROW TRIBE OF INDIANS AML PROGRAM
ENHANCEMENT AND PERFORMANCE REVIEW REPORT
EVALUATION YEAR 1999**

Principles Being Evaluated: Programs should have systems in place to ensure accountability and responsibility for spending AML funds and a process to assure that such systems are working.

Subelement: Audits and Implementation of Audit Recommendations

Review Dates: Continuous

Personnel: Hugh White Clay (COR) and Orvel Gustafson (CFO)

Background: The Tribe is subject to an annual A-133 audit. OSM is responsible to resolve any findings in the audits that pertain to OSM programs. To assure that all findings are promptly resolved, OSM continuously reviews the A-133 process and resolves findings as they develop. All findings resulting from audits conducted in past evaluation years have been resolved.

Review Methodology: The Tribe provided the CFO with a copy of the A-133 audit report for the timeframe 10/01/97 and 09/30/98. The Tribe's performance in this area was based on the contents of the audit report.

Population / Sample: The population consisted of all of the findings in the A-133 Audit completed for the period of October 1, 1997 through September 30, 1998. The sample was equal to the population.

Findings and Conclusions: The A-133 audit for the period ending September 30, 1998 contained no findings concerning the Tribe's AML program.

Corrective Actions: No corrective action is necessary.

**CROW TRIBE OF INDIANS AML PROGRAM
ENHANCEMENT AND PERFORMANCE REVIEW REPORT
EVALUATION YEAR 1999**

Principles Being Evaluated: Programs should have systems in place to ensure accountability and responsibility for spending AML funds and a process to assure that such systems are working.

Subelement: Procurement and Management of Property and Services

Review Dates: February 2, 1999

Personnel: Elizabeth Other Medicine (COR) and Neal Jacquot (CFO)

Background: The COR must conduct procurement actions in accordance with Tribal procedures and manage and dispose of program property in accordance with Tribal procedures while complying with OSM's minimum requirements. Since these areas are high risk areas due to the high level of internal controls required, it is selected for review in every evaluation period. Weaknesses in inventory control which had been noted during the previous evaluation period led to a continued review of the property control process.

Review Methodology: Procurement: The review was limited to the review of purchase order control and the maintenance of purchase order records (see the Enhancement and Performance Review Report for Accounting Procedures).

Management of Property and Services: The review methodology used to determine the accuracy of property records was accomplished through a confirmation of the accuracy of property contained on the property records through a physical inventory of sampled items. This included a check of the property for inventory tags. The requirements of the Federal Common Rule and the policies of the Tribe were used in determining what property should be included in the property listing.

Population / Sample: Due to the major problems with the property records noted in last year's report, the property sample consisted of all property not included in the property records as determined in the previous year evaluation.

Findings and Conclusions: Procurement: Internal Control weaknesses were noted involving the control of purchase orders (see the Enhancement and Performance Review Report for Accounting Procedures).

Management of Property and Services: In the previous evaluation year, the review of the property records revealed that there were three instances out of the sample of eleven pieces

of property where the property was not contained on the property records. There were discrepancies involving property recently purchased as well as property randomly selected. A property report must be submitted reflecting the grant property in existence at the end of the performance period for each grant when it is closed. Incomplete property records had resulted in a lack of property controls and inaccurate reporting of grant purchased property to OSM when grants are closed. The review this evaluation year revealed the property records were updated with the exception of a few minor items.

Corrective Actions: The Tribe must include the few minor items noted in their property records as required by their policy and procedure.