



At a Glance

Why We Did This Review

The U.S. Environmental Protection Agency's (EPA's) Region 9 requested assistance from the Office of Inspector General (OIG) due to concerns about the accounting system in place at the Walker River Paiute Tribe.

EPA Region 9 was also concerned about the tribe's indirect cost rate proposal for 2014 and outstanding incomplete grant tasks under EPA grant GA-96926201.

This report addresses the following EPA goal or cross-agency strategy:

- *Working to make a visible difference in communities.*

Send all inquiries to our public affairs office at (202) 566-2391 or visit www.epa.gov/oig.

The full report is at:
www.epa.gov/oig/reports/2015/20150611-15-2-0165.pdf

Walker River Paiute Tribe Needs to Improve Its Internal Controls to Comply With Federal Regulations

What We Found

Our audit determined that the Walker River Paiute Tribe's accounting system and written policies and procedures complied with federal regulations. However, our testing disclosed multiple instances where the tribe's actual practices did not comply with federal regulations related to personnel costs, indirect costs and in-kind contributions.

The Walker River Paiute Tribe did not comply with federal regulations, resulting in \$994,963 of questioned costs.

Our audit also found incomplete grant tasks remaining from an EPA General Assistance Program grant for fiscal years 2008 through 2012.

Recommendations

We recommend that the Region 9 Regional Administrator disallow and recover unsupported costs of \$841,477, unless the tribe can provide adequate support for these costs. We also recommend that the Region 9 Regional Administrator:

- Disallow and recover ineligible costs of \$1,591.
- Require the tribe to implement better internal controls to ensure compliance with applicable federal regulations, grant conditions, and the tribe's own policies and procedures.

In addition, we recommend that the Region 9 Regional Administrator disallow and recover \$151,895 in claimed costs associated with the remaining incomplete tasks, unless the tribe can provide documents to substantiate completion of those tasks. We also recommend that for future General Assistance Program grants, the Region 9 Regional Administrator implement special grant conditions that require completion of grant tasks before grant payments are made.

The tribe did not comment on recommendations relating to internal controls and special grant conditions, but did concur with one recommendation and provided additional documentation for the remainder of the recommendations. However, the tribe's documentation did not meet federal requirements, so our positions on the issues remain unchanged.