



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 9
75 Hawthorne Street
San Francisco, CA 94105

MAR 07 2012

MEMORANDUM

SUBJECT: Agreed-Upon Procedures Applied to EPA Grants Awarded to
Summit Lake Paiute Tribe, Sparks, Nevada
Project No. 12-2-0072

FROM: Tom McCullough *Tom McCullough*
Assistant Regional Administrator
Management and Technical Services Division (MTS-1)

TO: Robert Adachi
Director of Forensic Audits

At your request, the region has reviewed the *Agreed-Upon Procedures Report* dated November 10, 2011. We have contacted the recipient to ascertain the status of findings related to EPA grants.

Based on the recipient's response to the recommendations, submittal of additional documentation, and negotiated corrective actions, we have reached the following position on each recommendation.

Recommendation 1

"Disallow and recover unallowable costs of \$96,615"

EPA Response:

We agreed that the \$96,615 should be disallowed and will seek to recover these funds.

Recommendation 2

"Require the Tribe to implement internal controls to ensure that:

- a) *Employees document all hours worked in accordance with 2 CFR part 225 requirements.*
- b) *The chairman's consent to use his signature stamp for timesheet Approval is independently verified.*
- c) *Leave allocation complies with 2 CFR Part 225 requirements.*

EPA Response:

Based on documentation submitted by the Tribe, it appears that the Tribe has a timesheet to document all hours worked and has implemented a new procedure on the use of the Chairman's signature stamp. The leave allocation continues to be an ongoing issue for the Tribe. They are currently researching the MIP payroll computerized system for a labor allocation feature that will comply with 2 CFR Part 225 requirements. The target date is July 31, 2012. EPA will continue to track this corrective action.

Recommendation 3

"Require the tribe to update its policies and procedures to ensure that they address all accounting issues and reflect the tribe's actual accounting practices."

EPA Response:

The Tribe has a target completion date of December 31, 2012 for a major overhaul of the Policies and Procedures Financial Manual. EPA will continue to track this corrective action.

Per EPA Order 2750, please let me know within 15 calendar days whether you find this response acceptable. Should you or your staff have any comments, questions, or concerns, please contact Magdalen Mak, Regional Audit Follow-up Coordinator at (415) 972-3773.

cc: Warner Barlese, Chairman, Summit Lake Paiute Tribe
William Cowan, Natural Resource Director, Summit Lake Paiute Tribe
Frances Winn, Tribal Accountant, Summit Lake Paiute Tribe
Enrique Manzanilla, Director, Communities and Ecosystems Division, Region 9
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