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Onsite Contact Jackie Eagle 918-520-6334

Recorder: Jackie Eagle	Date: 4/25/17

Session Title: Office of Special Trustee – Annual Trust Evaluations for Compacted Tribes "A New Approach"

Panelists:

John White, Deputy Special Trustee – Program Management, Office of the Special Trustee, DOI

Elizabeth Wells Shollenberger, Director, Office of Trust Review and Audit, Office of the Special Trustee, DOI

Summary of Issues and Items Discussed:

Gave an overview of the current trust evaluation process. In designing a new process they identified the issues areas, look at how to leverage technology, and collaborated with Tribes. Once the process is completed, Tribes will log into the application and determine what person they would like to answer questions. These questions would have been asked on site in the previous process. They will also be able to upload documents and review the answers provided before it is submitted. If there's likely to be an imminent jeopardy to the program, OST would then visit the site to make that determination. The new process is more efficient, leverages IT, and allows Tribes more flexibility for providing the information. The new process was also approved as fulfilling the Federal requirement and the goal is that it will allow for twice the number of evaluations in half the time. In the last few months several new Tribes have signed on so it's important to make the process more efficient. At subsequent presentations, there will be a live demonstration of how the application works. Presented an overview of the application. A link will be provided to the Tribal coordinator. Once logged in, will be able to assign the task of answering questions for different parts to the appropriate people. Documents can be uploaded at once or as you go through the questions. Once submitted for approval it would go back to the coordinator for compilation and then to the appropriate Tribal official for review. Once approve by them, it will be sent to the auditor. OST isn't restricting who can answer the questions, that is for the Tribe to decide. A system of internal controls is very important and a Tribes has to show that they have that in place through the application questions. Presented an overview of the accomplishments to date, where they are currently, and what the next steps in the development process. Implementation and rollout is expect for Fiscal Year 2018. This type of interface between the Department and the public has never been done before, which has made the process take more time. IF any one is interested in working on implementation and rollout of this new process, OST is happy to collaborate. Although, this process only focuses on core programs, once it is developed there is a possibility that other departments will be able to use the same or a similar process. OST also envisions implementing this process within Federal agencies. OST has found that the AFA's are very vague and they would like to see Tribes to get very specific about what PSFA they are compacting for. It is a continual process of improvement for the application and the hope is that it will keep getting worked on and improved.

Questions from the Audience:
1. Isn't the internal controls requirement already fulfilled by the single audit? If a Tribes has done that, they are required to upload that into the application. For the financial side, there is a regulatory

requirement. Looking at the pragmatic compliance. The single audit does look at all programs and show some of this; however, the Trust evaluation is a different requirement.

2. This process loses the human communication aspect, which can create an issues for some of the questions that are very subjective and could cause an auditor to interpret it as a risk. As such, are you finished with developing the list of questions that will be provided to Tribes through the application? The application wasn't intended to block off communication with the auditor. Management of the application is a different on going process in which the questions will be evaluated annually to see if there is a better way to ask them. There is also a box for comments included in the application and it's believed that with this new process, OST will receive more feedback on the questions asked than they did before.

3. This is a collaboration between OST and Tribes. It's important to keep the application short and simple. This is an evaluation that focuses only on core programs.

4. Is it realistic to expect an annual evaluation every year? The goal is to do it every year, but that isn't something that can be done with the current resources available to OST.

5. Are all of the Tribes going to fill out the application every year and then you will choose which ones to complete or will you invite specific Tribes? We will target the number of Tribes we believe we can get done that year.

6. What is the line between an inherent federal function and what Tribes can do to help through their internal auditors? It is a congressional requirement and all Congress really wants is the numbers. Internal auditors are doing their reports for their Tribal Leaders and OST is doing it for the Secretary, which means that they can't just use the internal audit report to fulfill the requirement.

7. Could Tribal internal auditors adjust their process to identify the things that OST auditors are looking for? It would be possible to leverage that, but OST would likely still have to perform the audit.

8. Is there somewhere Tribes can find the original intentions behind some of the vague parts of AFA's? You would have to go back to your annual agreement and determine what that is. Compacts allow for consolidation of programs/projects.

9. There have been issues with the timeline and the requests for testing. With spending so much time on this, how have you been able to address the backlog of audits you have? The backslide on the development timeline wasn't intentional. The process for development was more complex and difficult than originally thought. We are in phase one and are currently evaluating Tribes even through the application hasn't gone online.

10. Can Tribes expect a quasi-online evaluation, rather than an on site one? More than likely, yes.

Follow Materials, Documents, Websites for Reference:

P.L. 93-638 Compacts Annual Tribal Trust Evaluations: "A New Automated Trust Evaluation Initiative" Flyer

Tribal Self-Governance Communication and Education website: www.tribalselfgov.org