

T-1612

TRIBAL AND ADMINISTRATIVE ACCOUNTING SERVICES  
(TAAS)  
TAAS REORGANIZATION REPORT  
For  
DIVISION OF MANAGEMENT SERVICES  
MR. William Ott  
Assistant Director  
04/19/82  
BUREAU OF INDIAN AFFAIRS

AIRR, Lenexa  
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"TAAS Reorg Report"

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS  
Tribal and Administrative Accounting Services Staff  
2500 Curtis Street, No 112  
Denver, Colorado 80205

April 19, 1982

## MEMORANDUM

TO: Mr. William Ott  
Assistant Director, Division of Management Services,  
Washington Central Office

FROM: R. L. Weiler  
Acting Chief, Tribal and Administrative Accounting Services (TAAS),  
Denver, CO

SUBJECT: Reorganization - TAAS

In accordance with your memorandum I received from you during my visit to your office on March 25, 1982, we have responded to your request for development of the TAAS function within the reorganization, which includes:

- 1 - Functional Statement for TAAS as a Division with two branches:
  - a - Branch of Tribal Accounting Services (external)
  - b - Branch of Administrative Accounting Services (internal)
- 2 - Organizational Chart of TAAS with related position descriptions for TAAS staff members; and,
- 3 - Estimate of costs.

We have also included items we believe should be considered for inclusion in audit/accounting services contracts; such as: 1) Evaluation Factors for Award of Audit Contract, 2) Guidelines and Standards to be used in Providing Service, and 3) Data for Basic Agreement for Audit. Such items, as minimum, will provide a level of contract performance in accordance with generally accepted auditing standards as recognized by AICPA, and the provisions of Standards for Audits of Governmental Organizations, Programs, Activities and Functions.

Additional information can be developed as needed.

*R. L. Weiler*

R. L. Weiler  
Acting Chief

TRIBAL AND ADMINISTRATIVE ACCOUNTING SERVICES

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## TRIBAL AND ADMINISTRATIVE ACCOUNTING SERVICES

FUNCTION STATEMENTI Branch of Tribal Accounting Services

The function of the Tribal Accounting Services Branch of TAAS is to assure that audits are performed and that accounting services (technical assistance) is provided to Indian Tribes and Alaskan Natives.

The objective of this function is to assist Indian Tribes and Alaskan Natives in the full development of their human and natural resource potential. To accomplish this, TAAS members assigned to this Branch are responsible for:

- A. contacts with the private sector for audit and accounting services through contractual arrangements with locally or regionally based public accounting firms for all Indian tribal and Alaskan Native entities as clients that are Federally recognized Indian groups, and are recipients of Federal funding. The process of coordinating and arranging for such services is performed in accordance with criteria established by TAAS staff members for selecting qualified firms with adequate capacity and time availability; and in accordance with contractual conditions developed by TAAS staff members that gives full assurance that audit services are adequate, and accounting services fulfill the short-range objective of developing the client's accounting records up to an auditable condition;
- B. making evaluations and quality assessments of contract performance, progress billings and final invoices, reviews of completed work correlated to the contract agreement; providing associated agencies with the results of the work, and assuring that satisfactory audit coverage is in accordance with Circular A102, ATT.(P), published by OMB. The TAAS staff member recognizes that if a non-Federal audit organization is responsible for audits of recipients that have different cognizant audit agencies, a single quality assessment review should be arranged.
- C. monitoring distribution of audit reports of recipients that affect Federally assisted programs--that appropriate Federal audit officials receive sufficient copies for distribution to their program officials.
- D. whenever significant inadequacies are present in an audit report, the Indian Tribe or Alaskan Native group will be advised, and the accounting firm will make corrections to the report as required. If corrections are not made, the responsible TAAS staff member as the cognizant agency rep, shall notify the Indian Tribe or Alaskan Native group and Federal awarding agencies of the facts and its recommendations. Major inadequacies or repetitive substandard performance of public accounting firms shall be referred to appropriate professional bodies.

*Not Right*

- E. monitoring for followup on audit findings and resolution of such findings.

Findings of irregularities shall be related to appropriate officials within the audit agencies.

- F. providing technical advice to the accounting firm and acting as liaison between Federal agencies, public accounting firms, and the Indian Tribal units and Alaskan Native group

The role of coordinator and arranger is based on the prior function of TAAS in which staff members performed financial audits of Federally funded grants and contracts for tribal and Alaskan Native entities, their enterprises, funds and programs. That basis of experience provides the unique qualifications and knowledge that TAAS staff members possess and utilize in their function as links between commercial accounting firms and the tribal clients. The TAAS members also recognize and acknowledge the uniqueness of the client because of their relationship to the authority that is the Federal Government, and to the authorities of their own governing bodies.

## II Branch of Administrative Accounting Services

The function of the Administrative Accounting Services Branch of TAAS is to determine if responsible Bureau officials are fulfilling their organizational control responsibilities. Such determination results from program and systems reviews and fiscal analyses of operations of the Central and field offices of the Bureau of Indian Affairs by TAAS staff members in order to assess the degree of responsibility taken by BIA personnel in the following areas:

- ml* A. reviewing contract and grant administration according to established criteria, and determining that, in fact, criteria has been established; and measuring compliance with the criteria, to include on-site reviews of all contract/grant performance.
- ml* B. monitoring control of contract awards as performed by operating management personnel, consistently and effectively to:
  - 1. enforce compliance with letter of credit procedures,
  - 2. assure that funds provided for contracts and grants are programmed and utilized only for authorized fiscal years, and
  - 3. assure that required financial and program reports are received timely and processed, or appropriate action has been taken.
- ml* C. determining if property management systems are established and utilized.

- D. reviewing and examining financial and property accounts for effective, responsible handling under proper authority, including:
1. Indian leases, BIA property, ISSDA funds, Indian Student Activity accounts and Student Bank funds, cashier accounts, employment assistance office records, tribal credit programs.
- E. coordinating with the Office of Inspector General to assist responsible officials in obtaining and making pre-award contract audits, indirect cost audits, and cost and price analyses by TAAS staff members or contracted public accounting firms.
- F. determining necessary followup for recommended corrective action as required.

The activities of this Function are intended to develop and maintain good management and operational practices at the Bureau of Indian Affairs agency, regional, and central offices, on a consistent basis. Achieving this, the benefits extend throughout the Bureau and to the Indian Tribes and the Alaskan Natives, and ultimately the Department of Interior.

TRIBAL AND ADMINISTRATIVE  
ACCOUNTING SERVICES

Estimated Costs - Branch of Tribal Accounting Services

I - Audits - Auditable (Class I) Records Assumed	Tribes (Estimated Size)	Number of Tribes	Estimated Man-Days			Estimated Cost Per Day <sup>1/</sup>	Tribes x Man-Days x Est. Cost Per Day	Travel, Per Diem Per Man-Day of Field Work <sup>2/</sup>	Tribes x Field Days x Cost Per Day	Total Estimated Costs
			Field	Review & Report	Total					
	Large	107	60	15	75	\$360	\$2,889,000	\$ 85	\$ 545,700	\$3,434,700
	Medium	63	20	6	26	360	589,680	100	126,000	715,680
	Small	76	8	3	11	360	300,960	115	69,920	370,880
	Consortiums, schools, etc.	75	15	4	19	360	513,000	100	112,500	625,500
	Alaska	80	15	4	19	600	912,000	220	264,000	1,176,000
		<u>401</u>	<u>118</u>	<u>32</u>	<u>150</u>		<u>\$5,204,640</u>		<u>\$1,118,120</u>	<u>\$6,322,760</u>

<sup>1/</sup> Conterminous United States, composite average of \$45.00 per hour  
Alaska, composite average of \$75.00 per hour

<sup>2/</sup> Daily cost varies because the more time spent in the field the more days over which the cost of travel can be averaged.

II - Development of Accounting Systems (T.A.<sup>1/</sup>) To Auditable (Class I) Condition

	Number Requiring Aid (70%) <sup>2/</sup>	Estimated Man-Days	Estimated Cost Per Day		Travel Per Diem Per Day		
Conterminous United States							
Tribes	172	20	\$360	\$1,238,400	\$100	\$ 344,000	\$1,582,400
Consortiums, schools, etc.	53	20	360	381,600	100	106,000	487,600
Alaska	56	20	600	672,000	220	246,400	918,400
	<u>281</u>			<u>\$2,292,000</u>		<u>\$ 696,400</u>	<u>\$2,988,400</u>
				<u>\$7,496,640</u>		<u>\$1,814,520</u>	<u>\$9,311,160</u>

<sup>1/</sup> Technical Assistance - Accounting Services

<sup>2/</sup> Office of Inspector General Services estimates 70% Not in an auditable (Class I) condition

## TRIBAL AND ADMINISTRATIVE ACCOUNTING SERVICES

April 19, 1982

ATT: II

AMENDMENT TO MEMORANDUM DATED MARCH 13, 1982 <sup>1/</sup>

Travel and per diem costs of \$136,371, under the original function of TAAS, are now considered inadequate for the reorganizational function, based on the following conditions:

- a. initial field trips for interviewing and recruiting contractable public accounting firms; combined with these trips will be trips to the tribal entities to introduce the new TAAS operation;
- b. additional field trips for attendance at entrance and exit conferences of contracted audit at the larger tribal and Alaskan Native units; such trips include contract compliance monitoring;
- c. trips to the reservation job-site for pre-audit/accounting services contract award to determine audit readiness or accounting services needed.

As with any new organization, startup costs for the "Business" must be recognized; however, such costs are understood to be one-time costs only.

Consideration of the above, our projection for travel costs of TAAS field staff and the contracted costs shown on ATT. III, are:

Total contracted costs		\$9,311,160
Projected travel and per diem costs for FY 1983 (based on 2 times the travel projected for TAAS original function - \$136,371 x 2 - rounded)		273,000
Projected costs for FY 1983 per 3/15/82 memo:		
Personnel	\$340,184	
Supplies	1,200	
Contract (Savin Copier)	<u>2,400</u>	
		<u>343,784</u>
		<u>\$9,927,944</u>

1/ Copy attached.