

# Akiachak Activity Report.

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## General Information:

The Akiachak Native Community (ANC) continues to struggle with improving its ability to take on the responsibilities of running a sewer and water utility service within the community. A recent development that holds some promise of improvement is the hiring of a CPA firm to analyze and recommend a course of action for correcting financial record keeping and management systems. Still they will need to act upon whatever recommendations come out of this work. The Council and the CEO will need to make changes that are unlikely to be popular with the some of the community and with current employees, some of which will be undoubtedly laid off, and the pressure to avoid painful improvements may be too much.

## Observations and Recommendations:

Finances — The indications are not good. RUBA has previously identified numerous unpaid vendors, services and departments running in the red, grant concerns from agencies having funded tribal program in Akiachak and excessive administrative costs and overhead. These indicators of financial problems were also identified in the recently completed audits. However, recommendations for improvement were not followed.

Accounting Systems — RUBA has in the past identified many deficiencies. The work by the CPA firm will either confirm our observations or not. Next quarter a clearly identified list of deficiencies should be available. The recently completed audits for the past four years have already targeted major procedural issues. A complete overhaul is likely to be called for.

Tax Problems — RUBA is still uncertain if the payroll tax problems that emerged almost a year ago have been resolved. It is likely that these problems persist considering the results of the latest audits.

Personnel System — There is a Personnel Policies Manual but it is unclear if that has been enforced or even adopted. There is certainly a need to improve lines of authority and supervision. There are also a lot of paid employees who increase the probability that the ANC is carrying an unrealistic overhead burden. Unfortunately, no representatives for ANC attended our workshop on Utility Management held in Bethel.

Organizational Management — The current practice of an elected CEO makes changes in the organizational arrangement difficult. To suggest a reduction in staff probably guarantee that candidate will not be elected as the next CEO.

Leadership/Governance — Akiachak is struggling with who can make the necessary changes; is there the political will to make the changes; and can the tribal members see and support

the wisdom of the changes. This is big task but someone will need to step up and take the steps necessary before they lose their ability to provide services. .

Operation of Utility — The utility system has yet to be made operational. A new water plant stands idle until the management and finance issues can be addressed. Other services continue to operate but not at an optimal level.

**Ranking**

1 = Inadequate

4 = Adequate to meet minimum requirements

7 = Exceeds requirements

<b>Category</b>	<b>1</b>	<b>4</b>	<b>7</b>
Finances		<b>X</b>	
Accounting Systems		<b>X</b>	
Tax Problems			<b>X</b>
Personnel System		<b>X</b>	
Organizational Management		<b>X</b>	
Leadership/Governance		<b>X</b>	
Operation of Utility	<b>X</b>		

**Anticipated Activity**

Changes in the accounting systems must take precedent over everything else. Then the financial picture can be made clear and a path to recovery identified. The community must meet with the CPA firm and discuss these recommendations soon and start on the improvements.