

SUMMARY

The Navajo Nation Office of the Auditor General (OAG) conducted a supplemental follow-up review of the Local Governance Support Center (LGSC) corrective action plan (CAP) implementation in accordance with 12 N.N.C Section 7. The supplemental follow-up review was conducted to determine whether LGSC implemented its CAP to resolve the findings presented in audit report no. 10-01.

During the December 06, 2011 Budget and Finance Committee meeting, DCD and LGSC reported that they fully implemented its corrective action plan. Accordingly, the Committee directed the Auditor General to perform a supplemental follow-up review to verify the CAP implementation.

Our supplemental follow-up review found:

AUDIT FINDING: LGSC does not have a standardized management system that is uniform across all five offices in providing services to the chapters.

STATUS: Not resolved

AUDIT FINDING: LGSC does not have a system of assuring technical expertise and continuous improvement in LGSC employees in the FMS.

STATUS: Not resolved

AUDIT FINDING: LGSC is organized in a hierarchical model in which LGSC interacts with the chapters in an authoritative role. In addition, the workload among the five agencies is uneven.

STATUS: Not resolved

AUDIT FINDING: Chapters need greater help with bookkeeping, tax compliance and use of accounting software.

STATUS: Not resolved

AUDIT FINDING: Dissatisfaction was expressed over the operation of LGSC due to the low number of certified chapters and the high number of sanctioned chapters.

STATUS: Not resolved

Overall, DCD and LGSC did not demonstrate sufficient improvements in providing services to Navajo Nation chapters. Consequently, the corrective action plan approved by the Budget and Finance Committee in April 2010 has not been fully implemented. Title 12 N.N.C Section 8 imposes upon LGSC and DCD the duty to implement the corrective action plan according to the terms of the plan. Since the corrective measures were not effectively implemented, the Office of the Auditor General maintains its initial recommendation to impose sanctions against the Division Director, Deputy Director and the five agency SPPSs in accordance with 12 N.N.C Section 9 (B) and (C) for failure to fully implement the corrective action plan.