

Summary

The Navajo Nation Office of the Auditor General conducted a follow-up review of the Navajo Department of Workforce Development (NDWD) corrective action plan (CAP) implementation in accordance with 12 N.N.C. Section 7. The follow-up review was conducted to determine whether NDWD implemented its CAP to resolve the findings presented in audit report no. 08-27. The Navajo Nation Council Budget and Finance Committee (BFC) approved the CAP on February 17, 2009, per resolution no. BFCF-03-09.

Our follow-up review found:

FINDING I: Financial and management control systems remain weak.

STATUS: Not resolved.

FINDING II: Operational deficiencies limit NDWD ability to meet its mandates

STATUS: Not resolved.

Conclusion

Overall, the corrective measures within the CAP were not implemented by NDWD. Therefore, the deficiencies presented in the initial audit report still exist. NDWD Program Manager could not provide evidence of ensuring staff adherence with program guidelines and imposing disciplinary actions for non-compliance. This demonstrates management's inability to properly assess and remedy operational deficiencies.

Title 12, Navajo Nation Code (N.N.C.) Section 8 imposes upon NDWD the duty to implement the corrective action plan according to the terms of the plan. Since the corrective measures were not implemented, NDWD did not demonstrate sufficient improvements in providing services to eligible adults, dislocated workers, and eligible youths. Title 12 N.N.C. Sections 9(b) and 9(c) directs Office of the Auditor General to recommend sanctions against the Department and Department Manager for failure to fully implement the corrective action plan. The sanctions involve withholding 10% of the program's budget and 20% of the Department Manager's salary. However, NDWD is federally funded except for the Department Manager position. The federal grant requires the department to expend its grant monies to meet its contractual deliverables. Withholding the program's budget will result in NDWD to not expend its grant monies according to the terms of the agreement with its funding agency. Accordingly, the Office of the Auditor General recommends sanction be imposed only on the general funded Department Manager in accordance with 12 N.N.C. Section 9 (c) for non-implementation of the corrective action plan.