
RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

24TH NAVAJO NATION COUNCIL - Fourth Year, 2022

AN ACTION

RELATING TO HEALTH, EDUCATION, AND HUMAN SERVICES, AND BUDGET
AND FINANCE COMMITTEES; ACCEPTING THE AUDITOR GENERAL'S AUDIT
OF THE DEPARTMENT OF FAMILY SERVICES ("DFS") AND THE DFS'
PROPOSED CORRECTIVE ACTION PLAN

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Health, Education and Human Services Committee is the oversight Committee for the Navajo Nation Division of Social Services. 2 N.N.C. § 401(C)(1), 2 N.N.C. § 1655.
- B. The Department of Family Services is established as a program under the Division of Social Services. Resolution No. HEHSJN-08-14, Resolution No. HEHSCS-21-16.
- C. The Budget and Finance Committee has the authority to review and approve audit reports of the Auditor General, and corrective action plans proposed by audited Navajo Nation programs. 12 N.N.C. § 6(A) and § 7(D).

SECTION TWO. FINDINGS

- A. Pursuant to 12 N.N.C. § 6 the Office of the Auditor General has prepared a fiscal review of the Department of Family Services, titled: "A Special Review of Department of Family Services" - Report No. 20-03 - dated December 2019 ("Audit"). **EXHIBIT A.**
- B. The Department of Family Services responded to the Audit in a letter submitted to the Auditor General on December 30, 2021. **EXHIBIT B.**

- C. The Department of Family Services has prepared a detailed Corrective Action Plan, submitted to the Auditor General on September 13, 2021, which addresses the findings in the Audit. In the Corrective Action Plan the DFS proposes to cure the numerous Audit findings by different dates in 2022. **EXHIBIT C.**
- D. The Budget and Finance Committee has final authority to approve corrective action plans proposed in response to audit findings. 12 N.N.C. § 7(D).

SECTION THREE. APPROVAL OF THE AUDIT OF THE DEPARTMENT OF FAMILY SERVICES AND DFS' PROPOSED CORRECTIVE ACTION PLAN

- A. The Navajo Nation hereby approves the Auditor General's fiscal review of the Department of Family Services, titled: "A Special Review of Department of Family Services" - Report No. 20-03, dated December 2019, attached hereto as **EXHIBIT A.**
- B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Department of Family Services, attached hereto as **EXHIBIT C.**

SECTION FOUR. DIRECTIVES

- A. The Department of Family Services shall prepare and submit a written status report on its progress implementing its Corrective Action Plan. DFS shall submit such report to the Auditor General no later than six months after the effective date of this Legislation. 12 N.N.C. § 7(F).
- B. The Auditor General shall receive and review DFS' status report, shall prepare a memorandum explaining the Auditor General's opinion about the success of DFS' corrective efforts, and shall promptly submit such memorandum along with DFS' status report to the Resources and Development Committee and the Budget and Finance Committee. 12 N.N.C. § 7(F).
- C. Twelve months after the effective date of this Legislation the Auditor General shall conduct a follow-up review of DFS to determine whether or not DFS has successfully implemented its Corrective Action Plan. The Auditor General shall then prepare a report on its findings resulting from the follow-up review, and such report shall include the Auditor General's

recommended sanctions, if any, to be imposed upon DFS for failure to implement its Corrective Action Plan. 12 N.N.C. § 7(G).

- D. The Auditor General's follow-up report shall be presented to the Resources and Development Committee and the Budget and Finance Committee. 12 N.N.C. § 7(G).

SECTION FIVE. EFFECTIVE DATE

This Legislation shall become effective pursuant to 12 N.N.C. § 6(A) and § 7(D).

SECTION SIX. SAVINGS CLAUSE

If any provision of this Legislation is determined invalid by the Navajo Nation Supreme Court, or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, those provisions of this legislation not determined invalid shall remain the law of the Navajo Nation.

CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held by teleconference at which a quorum was present and that the same was passed by a vote of 4 in favor and 0 opposed, this 15th day of March 2022.



Jamie Henio, Chairperson
Budget and Finance Committee

Motion: Honorable Raymond Smith, Jr.
Second: Honorable Amber Kanazbah Crotty



OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

**A Special Review
of
Department of Family Services**

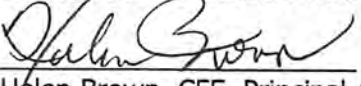
**Report No. 20-03
December 2019**

**Performed by:
Alfreda Lee, Senior Auditor**



M-E-M-O-R-A-N-D-U-M

TO : Eric Gale, Acting Department Manager
Department of Family Services
DIVISION OF SOCIAL SERVICES

FROM : 
Helen Brown, CFE, Principal Auditor
Delegated Auditor General
OFFICE OF THE AUDITOR GENERAL

DATE : December 31, 2019

SUBJECT : A Special Review of the Department of Family Services

The Office of the Auditor General herewith transmits Audit Report No. 20-03, Special Review of the Department of Family Services. The special review was conducted to determine whether the Department of Family Services is processing payments to service providers in a timely manner.

The auditors reported four (4) findings:

1. Once a service provider invoice is received, it takes the Navajo Nation 4 to 101 days to pay providers.
2. Monthly service provider invoices accumulate an average of three months before DFS receives sufficient revenues to pay providers.
3. DFS lacks a process to ensure service providers submit timely invoices as required by the Memorandum of Agreements.
4. With most service provider invoices exceeding \$50,000, DFS protocol requires multiple levels of approval delaying payments.

Detailed explanation of the findings can be found in the body of this report. The report provides recommendations to correct the reported findings.

If you have any questions about this report, please contact our office at extension 6303. Thank you for your assistance in completing this audit.

xc: Deannah Neswood-Gishey, Division Director
DIVISION OF SOCIAL SERVICES
Paulson Chaco, Chief of Staff
OFFICE OF THE PRESIDENT/VICE-PRESIDENT
Chrono

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REVIEW RESULTS

Finding I: Once a service provider invoice is received, it takes the Navajo Nation 4 to 101 days to pay providers.

Criteria: Best practices generally promote payment of invoices within 30 days. If payments are made sooner, an organization can benefit from vendor discounts.

Condition: A sample of 46 service provider invoices totaling \$1,278,020 were examined and we noted the following:

- a) It takes up to 17 days for the Department of Family Services (DFS) to approve payments.
- b) It takes 2 to 88 days for the Office of the Controller to process payments and disburse checks.
- c) Overall, it takes 4 to 101 days to pay DFS service providers.
- d) 16 of 46 (35%) or \$535,656 were paid 30 days or later.

Effect: A delay in payment may cause the service providers to reduce or eliminate critical services to children, adults or elderly clients who depend on the services for their recovery and well-being.

Cause: A review of the DFS payment process revealed the following:

- a) Inconsistencies in the payment process such as using wrong account information and voiding checks to process as ACH payments delay the process.
- b) Service provider invoices do not reconcile to field office records which requires clarification before payments can be approved.
- c) Overall, there are no internal policies and procedures to govern the DFS payment process.

Recommendations:

- 1. DFS should evaluate its payment process to identify bottlenecks that are causing the delays in payments and develop solutions to address these bottlenecks.
- 2. DFS should develop internal policies and procedures that clearly define its payment process and establishes benchmarks for timely processing. DFS should establish its performance measures based on these benchmarks.
- 3. DFS should develop a tracking mechanism to track invoices and respond to issues that may cause a delay in processing the invoice for payment.

Finding II: Monthly service provider invoices accumulate an average of three months before DFS receives sufficient revenues to pay providers.

Criteria: Best practice requires sufficient cash flows to ensure bills/invoices are paid in a timely manner to foster good business relations.

Condition: DFS explained that payments for service providers are processed when they secure sufficient funding. Since revenues are sporadic, invoices will tend to accumulate before they are paid. For the audit period, we noted several large payments that exceeded \$100,000. Such payments were for invoices that had accumulated for an average of three months. Table 1 shows the accumulated invoices that were examined further.

**Table 1
Accumulated Service Provider Invoices
Resulting in Large Payments**

Service Provider	Invoice Amount	Service Month	Payment Date	Check Amount	No. of Months Elapsed Before Payment
CHINLE VALLEY SCHOOL INC.	\$6,116.25	Aug-18	Mar-19	\$120,607.55	7*
	6,277.30	Sep-18			6*
	6,069.18	Oct-18			5*
	783.12	Nov-18			4*
	10,412.90	Jan-19			2*
	43,009.27	Jan-19			2*
	9,430.68	Feb-19			1
	17,147.15	Feb-19			1
	21,361.70	Feb-19			1
EAGLEDANCER YOUTH & FAMILY SERVICES	86,519.27	Aug-18	Oct-18	\$179,071.07	2*
	17,165.53	Sep-18			1
	75,386.27	Sep-18			1
INTERMOUNTAIN CENTERS	50,000.00	Jul-18	Oct-18	\$117,069.68	3*
	2,263.25	Jul-18			3*
	64,806.43	Aug-18			2*
TOHATCHI AREA OF OPPORTUNITY & SERVICES	17,712.36	May-18	Aug-18	\$355,347.76	3*
	19,114.68	May-18			3*
	58,764.80	May-18			3*
	34,631.28	Jun-18			2*
	55,500.00	Jun-18			2*
	27,834.24	Jul-18			1
	45,724.84	Jul-18			1
	36,865.56	Jul-18			1
	59,200.00	Jul-18			1
	\$ 772,096.06			\$ 772,096.06	49
Average months invoices accumulated:					3

Source: FMIS/Office of the Controller

Note: The number of elapsed months denoted with (*) were used to calculate the average number of months in which invoices accumulated.

- Effect:** Since DFS does not pay service providers in a consistent manner, there is risk that service providers will terminate their business relations with the Navajo Nation. If so, critical services for Navajo children, adults and elderly will be adversely affected.
- Cause:** A review of the DFS funding activities revealed the following:
- a) A change in the Navajo Nation review process for contracts and agreements has resulted in faster approval but without initial verification of funding availability.
 - b) Office of the Controller requirements to ensure funding availability delayed the payments.
 - c) DFS did not plan accordingly to ensure funding agreements would be in place prior to services being rendered by the service providers.
- Recommendations:**
- 1. DFS should confer with the Office of the Controller prior to processing contracts and agreements to affirm funding availability.
 - 2. DFS should initiate its funding approval process with enough lead time to make sure funding agreements are in place prior to services being rendered by the service providers.

Finding III: DFS lacks a process to ensure service providers submit timely invoices as required by the Memorandum of Agreements.

- Criteria:** The Memorandum of Agreements (MOA) executed with the service providers stipulate that providers submit their invoices within ten (10) days after the service is provided. DFS as the administrator of the MOA's is responsible for ensuring providers comply with the agreements.
- Condition:** A sample of 46 service provider invoices examined revealed the following:
- a) It takes between 1 and 83 days for service providers to submit their invoices after services are provided; 10 of 46 (22%) invoices were remitted to DFS after 10 days.
 - b) Of the 21 service providers, 7 (33%) did not comply with this MOA stipulation.
- Effect:** A delay in submitting invoices results in a delay in payment and the potential stoppage of critical services.
- Cause:** DFS does not have a defined process in place to monitor the submission of invoices from the service providers. The lack of internal policies and procedures to govern its payment process contributed to the lack of monitoring.

- Recommendations:
1. DFS should develop internal policies and procedures to define its monitoring process of MOA's to ensure service providers comply with MOA stipulations.
 2. DFS should track the service provider invoice dates when received and notify those that have exceeded the 10-day MOA requirement for remitting invoices.

Finding IV: With most service provider invoices exceeding \$50,000, DFS protocol requires multiple levels of approval delaying payments.

Criteria: Best practice promotes an efficient disbursement process to ensure timely payments of bills/invoices. Therefore, appropriate thresholds are established to determine the levels of management that will need to approve applicable disbursement amounts.

Condition: A sample of 46 service provider invoices were examined and we noted the following:

- a) 9 of 46 (20%) invoices were \$50,000 or more.
- b) It takes DFS up to 17 days to obtain approval on invoices that are \$50,000 or more.

Also, since DFS allows service provider invoices to accumulate, the total amount that DFS will process once funds become available tends to exceed the \$50,000 threshold.

Effect: Review and approval by multiple individuals will prolong the payment process as such activities are contingent upon the availability of the designated approvers. A delay in the process will result in late payments.

Cause: A review of the DFS funding activities revealed the following:

- a) Due to the accumulation of invoices, DFS often requires multiple levels of approval for payment requests that generally exceed \$50,000.
- b) DFS has not recognized the need to re-examine its current threshold in light of its current practice of accumulating invoices.

- Recommendations:
1. DFS should increase its approval threshold for service provider invoices to allow for efficient payments.
 2. Otherwise, DFS should minimize the number of invoices that accumulate before processing for payment.

CONCLUSION

The Department of Family Services did not pay service provider invoices in a timely manner. Our review of DFS invoices and memorandum of agreements shows: 1) once a service provider invoice is received, it takes the Navajo Nation 4 to 101 days to pay providers, 2) monthly service provider invoices accumulate an average of three months before DFS receives sufficient revenues to pay providers, 3) DFS lacks a process to ensure service providers submit timely invoices as required by the Memorandum of Agreements, and 4) with most service provider invoices exceeding \$50,000, DFS protocol requires multiple levels of approval delaying payment.

INTRODUCTION AND BACKGROUND

The Office of the Auditor General conducted a special review of the Navajo Nation Department of Family Services within the Division of Social Services. The audit focuses on the timeliness of payments to service providers. The audit was requested by the Health, Education, and Human Services Committee of the Navajo Nation Council.

Department of Family Services

The Department of Family Services (DFS) provides specialized human services to children, adults, and elderly whom are experiencing abuse, neglect or crisis, and to help maintain healthy and stable families on the Navajo Nation. In addition, DFS provides quality services to individuals and households experiencing temporary financial hardship in meeting their short-term basic needs, immediate emergency and home energy needs.

DFS utilizes third-party service providers located in Arizona, New Mexico, and Colorado. Table 2 shows 21 DFS service providers summarized by name and location of the facilities.

Table 2
Service Providers by Name and Location

Service Provider	Location
Annie Wauneka Life Care, Inc.*	Ganado, AZ
Bonney Homes, Inc.	Gallup, NM
Childhaven, Inc.	Farmington, NM
Chinle Nursing Home	Chinle, AZ
Chinle Valley School, Inc.*	Chinle, AZ
Coyote Canyon Rehabilitation Center*	Coyote Canyon, NM
Dine Bii Association for Disabled Citizens*	Tuba City, AZ
Dungarvin New Mexico, LLC.	Gallup, NM
Eagledancer Youth and Family	Snowflake, AZ
Helping Hands Agency, Inc.	Page, AZ
Hogan Hozhoni	St. Michaels, AZ
Hozhoni Foundation Inc.	Flagstaff, AZ
Intermountain Centers	Tucson, AZ
Limit Not, Inc.	Gallup, NM
Ramah Care Services, Inc.	Gallup, NM
St. Michaels Assoc. for Special Education*	St. Michaels, AZ
TLC Supported Living Services	Show Low, AZ
Tohatchi Area of Opportunities & Services*	Gallup, NM
Toyei Industries Inc.*	Cottonwood, AZ and Chinle, AZ
Whimspire, Inc.	Cortez, CO

Source: Department of Social Services and Office of the Controller

* - Navajo Independent Service Providers

The division director supervises the department manager and legislative oversight is provided by the Navajo Nation Council Health, Education, and Human Services Committee.

Navajo Nation Memorandum of Agreements

The Department of Family Services executes Memorandum of Agreements (MOA) with third-party service providers to provide services to Navajo children, adults, and elderly. Prior to February 9, 2018, the Navajo Nation had the Title 2 N.N.C. 164 SAS review process to review and approve all contracts and agreements. As such, all contracts and agreements were reviewed by the Division of Social Services, Office of Management and Budget, Office of the Controller, and the Department of Justice. Thereafter, the Navajo Nation President would sign and approve the contracts and agreements. However, the 164 SAS review process was revised on February 9, 2018 via resolution no. CJA-01-18. Under the revised process, the Navajo Nation President determines who will review contracts and agreements which may or may not include former 164 SAS reviewers. The intent of the revised process was to expedite the approval by the Navajo Nation President.

The MOA approved for January 1, 2019 to December 31, 2021 allowed the Department of Family Services to pay service providers over a two-year period. The MOAs approved by the Navajo Nation President on February 13, 2019 were assigned contract numbers on March 5, 2019 by the Office of the Controller Contract Accounting Section. DFS service provider invoices cannot be approved for payment until these contract numbers are assigned.

Federal Funding

The DFS received approximately \$13,063,379 in federal funding for the period between June 1, 2018 and May 31, 2019. Table 3 shows the funding received over the 12-month period under review.

Table 3
Department of Family Services Grant Revenue
Between June 2018 and May 2019



Source: Office of the Controller

According to DFS and the Office of Management and Budget, the federal grant funding is awarded to the Navajo Nation via a Public Law 638 grant which is under a five-year term. The grant funding gets split between DFS and other Navajo Nation programs. The Navajo Nation receives the funding piecemeal throughout the fiscal year because the United States federal government last approved a budget in 2016, and since then the federal government has approved continuing resolutions. Thus, the federal grant funding is not awarded in a lump sum on an annual basis.

Service Provider Payments

The DFS expended approximately \$12,133,503 for services provided by service providers between June 1, 2018 and May 31, 2019. On average, service providers invoiced DFS one million dollars per month for the services they rendered.

Objective, Scope and Methodology

Our objective in conducting this audit was to determine whether service provider payments are paid in a timely manner by the Department of Family Services.

The audit scope is from June 1, 2018 to May 31, 2019.

In meeting our objective, we performed the following procedures:

1. Reviewed Department of Family Services records including, but not limited to, the plan of operation, memorandum of agreements, and correspondences.
2. Selected a judgmental sample of 56 payments from 495 service provider payments totaling \$12,133,503. Examined only 46 payments totaling \$1,278,020 because ten payments were not available for our review.
3. Reviewed 21 of 21 (100%) service provider Memorandum of Agreement files.
4. Performed analysis on timelines of payments to service providers.
5. Performed analysis on timeliness of processing Memorandum of Agreements.
6. Interviewed Department of Family Services staff.

Scope limitation:

The audit of the Department of Family Services did not address service provider compliance, payment accuracy, and payment rate adequacy.

Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Office of the Auditor General and staff express their appreciation to the Department of Family Services for their cooperation and assistance throughout the audit.

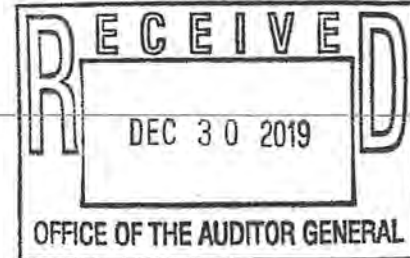
THE NAVAJO NATION

EXHIBIT B




JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT

December 30, 2019



TO : Helen Brown, CFE, Principal Auditor
Delegated Auditor General
Office of the Auditor General

FROM : 
Eric Gale, MS, MSW
Acting Department Manager III
Department of Family Services

SUBJECT: *DFS Response to Office of Auditor General's Audit Review*

This correspondence is in response to the memorandum "*Final Draft Audit Report*", issued by the Office of the Auditor General on December 16, 2019. The Department of Family Services (DFS) does not dispute any of the Office of Auditor General's findings, however, urges that the circumstantial dynamics related to the findings below is essential to provide perspective on the matter at hand.

The Department of Family Services is a multisource funded agency with a majority of funding received by Public Law 93-638 across sporadic allocations of funding disbursements throughout the calendar year. Due to these unscheduled disbursements of funds, some of which are over six months apart, the payment of services may take some time as the Navajo Nation (*DFS, Office of the Controller, and/or Office of Management & Budget*) to establish new business accounts and budgets for new disbursements.

Moreover, Memorandum of Agreements with these service providers may be approved later at the beginning of the calendar year due to availability of funds identified above. While the circumstances above do not negate the former business practices of the DFS, it should be a note; one that DFS will seek to improve.

Finding I:

Once a service provider invoice is received, it takes the Navajo Nation 4 to 101 days to pay providers.

Response:

As indicated in the Review Results – Finding 1, Condition, the Officer of the Auditor General determined that it takes DFS up to 17 days, after invoice, to approve payments. Given proper cognizance to the Navajo Nation's payment processes, the Office of the Controller is the ultimate approver of DFS invoices. DFS has no authority over the Office of the Controller's internal processes regarding the timely processing and/or distribution of checks, and thus DFS can only streamline its business operations to reflect the timely approval of service provider invoices. DFS intends to develop internal policies and procedures to govern the DFS payment process to be more accountable with respect to timeliness and efficiency.

Finding II:

Monthly service provider invoices accumulate an average of three months before DFS receives sufficient revenues to pay providers.

Response:

DFS will begin an internal assessment of its business operations efficiency and productivity by conducting a trends analysis to detail and project the amount of funds needed to be allocated properly toward the end of the calendar year to avoid delays in payments due to expiring and/or new business units. Using aggregate data, DFS intends to make data-informed decisions regarding developing and modifying budgets to ensure availability of funds to pay service providers.

Finding III:

DFS lacks a process to ensure service providers submit timely invoices as required by the Memorandum of Agreements.

Response:

DFS intends to develop DFS payment process policies and procedures to refine its internal controls regarding tracking of payment invoices, improving contract compliance, and developing penalties for non-compliance.

Finding IV:

With most service provider invoices exceeding \$50,000, DFS protocol requires multiple levels of approval delaying payments.

Response:


DFS will seek alternative mechanisms to minimize the number of invoices above the threshold to alleviate processing time.

Moving Forward

As DFS enters a new era of management, we will begin focusing on improving our business operations which will include: establishing written policies and procedures, more streamlined invoice/payment processes with the use of technology to be more efficient, and improved and continuous planning for program budgeting. DFS recognizes that change is essential for progression and will strive to improve upon the findings identified in the Office of the Auditor General's report for the benefit of DFS clients and their families that we serve. Should you have any questions, I can be contacted at (928) 871-6556.

CC:

Deannah Neswood-Gishie, NDSS Executive Director
Paulson Chaco, Navajo Nation Executive Branch Chief of Staff
File

Navajo Division of Social Services – Department of Family Services Corrective Action Plan Audit Report No. 20-03 2 nd Amendment 09/13/21			
Audit Finding	Corrective Action	Responsible Person	Completion Date
<p>1. Once a service provider invoice is received, it takes the Navajo Nation 4 to 101 days to pay providers.</p> 	<p>a. Department of Family Services (DFS) developed an Invoice Process flowchart (attached), which outlines from the time the department receives an invoice to the time when the invoice is submitted for payment to the finance department – Office of the Controller. The flow chart identifies the responsible person from beginning to end with timelines in which the specific tasks are to be completed, so the end goal of submitting an invoice with a Receiving Record is submitted for payment within at least a three days' time frame.</p> <p>b. Department Manager, Accountants and Contract Analyst will develop an internal Accounting, Finance and Contracts Policy Manual that will define administration and field offices roles and responsibilities including timelines for processing financial documents, budget formulation, Expenditure Authorization Signature Forms and processing contracts.</p> <p>c. DFS's Invoice Process flowchart identifies that the invoice process begins with the department's Secretary, who will be responsible developing and maintaining a tickler system. The Secretary will conduct follow ups with vendors when vendors' monthly invoice has not yet been received by the department. The Secretary will send reminder electronic mail (email) to the vendors beginning with the 11th day of each month, given that the timeline in which the vendor must submit their invoice is within 10-days after the end of each month.</p>	<p>a. Secretary Sr. Computer Operator Accountants Contract Analyst Department Manager Executive Director</p> <p>b. Department Manager Sr. Computer Operator Accountants Contract Analyst Administrative Assistant</p> <p>c. Secretary Vendors</p>	<p>a. Ongoing</p> <p>b. 8/31/21</p> <p>c. Beginning with 11th of each month and ongoing until invoice is received</p>

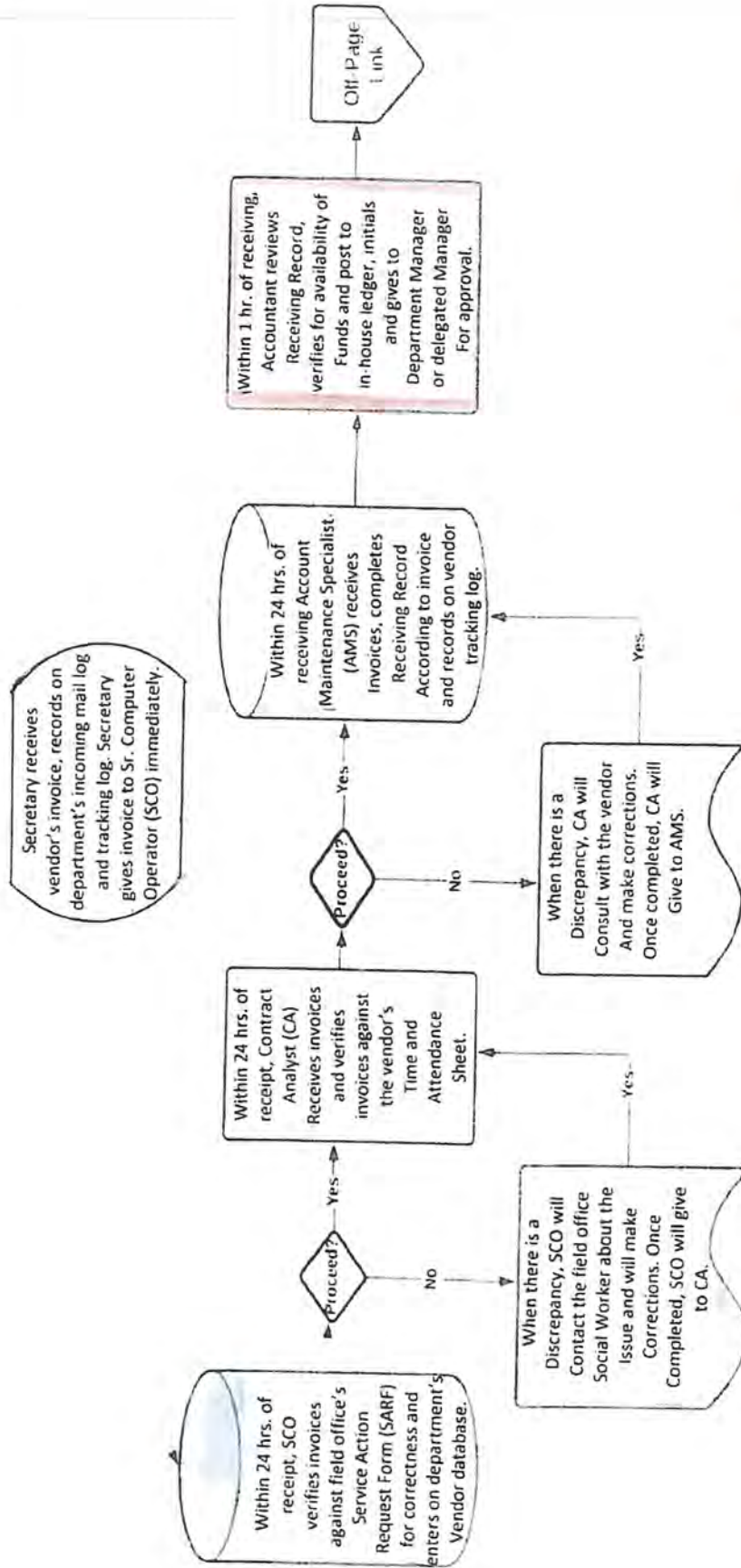
Navajo Division of Social Services – Department of Family Services Corrective Action Plan Audit Report No. 20-03 2nd Amendment 09/13/21			
Audit Finding	Corrective Action	Responsible Person	Completion Date
2. Monthly service provider invoices accumulate on average of three months before DFS receives sufficient revenues to pay providers.	a. Accountants will develop the annual 638 Bureau of Indian Affairs (BIA) budget no later than October 31 st annually. Department Manager will prepare its annual BIA contract and submit it to department's Attorney with Department of Justice (DOJ) for pre-review before beginning the 164 review and approval process no later than October 31 st .	a. Accountants Department Manager Department of Justice Office of Management and Budget 164 Reviewers	a. Begin annual budget process no later than 10/31 st annually
3. DFS lacks a process to ensure service providers submit timely invoices as required by the Memorandum of Agreements.	<p>a. Contract Analyst start the annual contract renewal with vendors at least 6-months in advance of contract ending date, which will be by July 1st. Contract Analyst will coordinate with the department's Attorney with DOJ for a pre-review of the contract language and coordinate with Risk Management Department to ensure vendor's minimum insurance requirements are met. Contract Analyst will conduct ongoing monitoring and follow ups with vendors on their required document submissions and to ensure contracts are submitted in timely fashion. This process will be stated in the internal policies and procedures.</p> <p>b. During contract renewal for FY 2022, the Contract Analyst will consult with DOJ Attorney on the possibility of incorporating language that will identify penalties against the vendor for untimely submission of monthly invoices and other required documents to remain in good standing with their contract.</p>	<p>a. Contract Analyst Department of Justice Risk Management Department Vendors Department Manager</p> <p>b. Contract Analyst DOJ Attorney</p>	<p>a. Begin contract renewal July 1st annually</p> <p>b. Begin contract renewal July 1st</p>

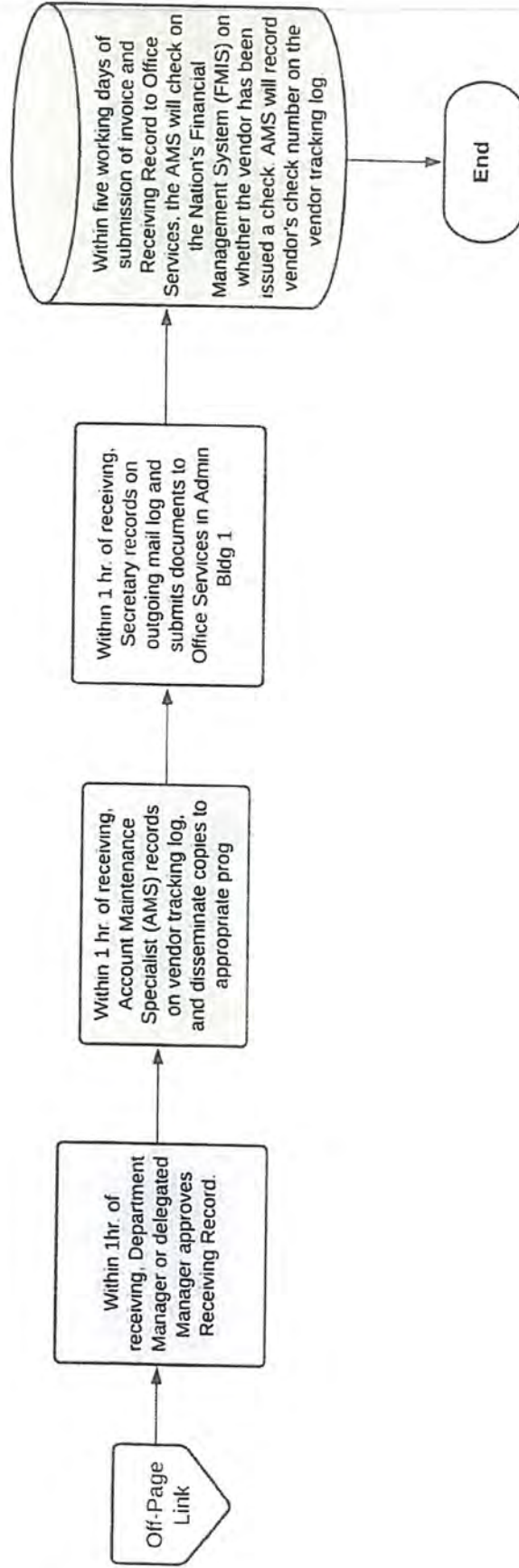
Navajo Division of Social Services – Department of Family Services
Corrective Action Plan
Audit Report No. 20-03
2nd Amendment 09/13/21

Audit Finding	Corrective Action	Responsible Person	Completion Date
	<p>c. Throughout 2020, the Contract Analyst has formed positive relationships with vendors in addressing issues, concerns and necessary document submissions, Contract Analyst will remain diligent in providing consistent technical assistance on a weekly basis. Contract Analyst will conduct quarterly teleconference calls or video meetings with vendors to provide updates, address any issues or concerns, etc. Contract Analyst will conduct on-site monitoring visits with the vendor at least once a year. This process will be stated in the internal policies and procedures.</p>	c. Contract Analyst Department Manager	c. Ongoing weekly Quarterly Annually
<p>d. With most service provider invoices exceeding \$50,000, DFS protocol requires multiple levels of approval delaying payments.</p>	<p>DFS' internal policies and procedures will address the issue of processing invoices in excess of \$50,000. DFS' internal policies and procedures will address the issue of minimizing the accumulation of invoices.</p>	<p>Secretary Sr. Computer Operator Accountants Contract Analyst Department Manager Executive Director</p>	Ongoing

Navajo Division of Social Services – Department of Family Services Invoice Process

2nd Amendment September 13, 2021





BUDGET AND FINANCE COMMITTEE

15 MARCH 2022

Regular Meeting

VOTE TALLY SHEET:

Legislation No. 0036-22: An Act Relating to the Health, Education and Human Services, and Budget and Finance Committees; Accepting the Auditor General's Audit of the Department of Family Services ("DFS") and the DFS' Proposed Corrective Action Plan *Sponsored by Nathaniel Brown, Council Delegate*
Motion: Raymond Smith, Jr.

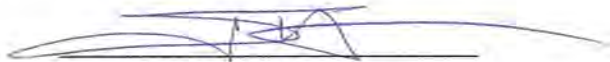
Second: Amber K. Crotty

Vote: 4-0, Chairman not voting

Final Vote Tally:

Jamie Henio		
Raymond Smith Jr.	yea	
Elmer P. Begay	yea	
Nathaniel Brown	yea	
Amber K. Crotty	yea	
Jimmy Yellowhair		

Excused: Jimmy Yellowhair



Jamie Henio, Chairman
Budget & Finance Committee


Peggy Nakai, Legislative Advisor
Budget & Finance Committee