

RESOLUTION OF THE
NAABIK'ÍYÁTI' STANDING COMMITTEE OF THE

23rd NAVAJO NATION COUNCIL -- Fourth Year, 2018

AN ACTION

RELATING TO HEALTH, EDUCATION, AND HUMAN SERVICES COMMITTEE AND BUDGET AND FINANCE COMMITTEE; RESCINDING BFMA-08-08, IMPOSING SANCTIONS UPON THE DEPARTMENT MANAGER OF THE NAVAJO AREA AGENCY ON AGING, RELEASING ALL SALARY PAYMENTS WITHHELD PURSUANT TO BFMA-08-08

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The former Navajo Area on Agency, now known as the Division on Aging and Long Term Care Support, is a department within the Navajo Nation Department of Health. The Health, Education, and Human Services Committee is the oversight committee for the Navajo Department of Health. 2 N.N.C. § 400(C)(1).
- B. The Budget and Finance Committee is charged with receiving and approving audit reports from the Auditor General. 12 N.N.C. § 6(A) and 12 N.N.C. § 7(D). The Budget and Finance Committee also, "determine what actions should be taken." after the follow-up review conducted by the Auditor General and based on any recommendations by the oversight committee. 12 N.N.C. § 7(I).

SECTION TWO. FINDINGS

- A. The Navajo Area Agency on Aging (NAAA) is now known as the Division on Aging and Long Term Care Support (DALTCS). The name NAAA is used in this legislation to refer to the actions taken before the name change occurred.
- B. The Budget and Finance Committee approved NAAA's Corrective Action Plan pursuant to Budget and Finance Committee resolution BFJN-36-05, "Accepting and Approving the Navajo Area Agency on Aging Corrective Action Plan," on June 25, 2005, which is attached as **Exhibit 1**.

- C. The Budget and Finance Committee imposed sanctions upon the Department Manager for NAAA on March 18, 2008, through Resolution BFMA-08-08, "Accepting a Follow-Up Review of the Navajo Area Agency on Aging Corrective Action Plan Implementation." This resolution is attached as **Exhibit 2**.
- D. The Office of the Auditor General conducted three follow-up reviews, with the last review occurring in 2009.
- E. The Office of the Auditor General's Plan of Operation provides, "[o]nce proof of implementation of the corrective action plan is demonstrated, the Auditor General shall immediately report this compliance to the Controller and, where applicable, the Chapter government, who shall then release the withheld salary to the director of the program, division, enterprise or entity or to the Chapter official." 12 N.N.C. § 9(C).
- F. To date, NAAA has been unable to successfully implement the corrective action plan. As a result, the Auditor General is not able to report its compliance to the Controller.
- G. The Department Manager, who was sanctioned in 2008, has since retired and is no longer in a position to implement NAAA's corrective action plan.

SECTION THREE. Rescinding BFMA-08-08, "ACCEPTING A FOLLOW-UP REVIEW OF THE NAVAJO AREA AGENCY ON AGING CORRECTIVE ACTION PLAN IMPLEMENTATION"

The Navajo Nation hereby rescinds BFMA-08-08, which imposed sanctions on the Department Manager of NAAA.

SECTION FOUR. DIRECTIVE TO THE OFFICE OF THE AUDITOR GENERAL TO CONDUCT A FOLLOW-UP REVIEW

The Navajo Nation hereby directs the Office of the Auditor General to conduct a follow-up review upon DALTAC within one year from the date of this resolution and to make recommendations to the oversight committee and to the Budget and Finance Committee.

SECTION FIVE. DIRECTIVE TO THE OFFICE OF THE CONTROLLER TO RETURN PAYMENTS HELD PURSUANT TO BFMA-08-08

The Office of the Controller is directed to release all salary payments withheld pursuant to BFMA-08-08 to all individuals at the earliest possible pay cycle after the approval of this legislation.

CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the Naabik'iyáti' Committee of the 23rd Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 13 in Favor, and 00 Opposed, on this 29th day of November 2018.



LoRenzo C. Bates, Chairman
Naabik'iyáti' Committee

Motioned: Honorable Olin Kieyoomia
Second : Honorable Benjamin L. Bennett

Chairman LoRenzo C. Bates not voting



Lawrence T. Morgan
Speaker of the Navajo Nation Council

BFJN-36-05

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE 20TH NAVAJO NATION COUNCIL – Third Year

AN ACTION

Relating to Health and Finance; Accepting and Approving the Navajo Area Agency on Aging Corrective Action Plan.

BE IT ENACTED:

1. The Budget and Finance Committee of the Navajo Nation Council, upon recommendation of the Health and Social Services Committee of the Navajo Nation Council, hereby accepts and approves the Navajo Area Agency on Aging corrective action plan and Performance Audit Report No. 04-06, attached hereto as Exhibit A.
2. The Budget and Finance Committee of the Navajo Nation Council directs the Navajo Area Agency on Aging to implement the corrective action plan according to the terms set forth in the corrective action plan.
3. The Budget and Finance Committee of the Navajo Nation Council directs the Navajo Area on Aging to submit a six-month progress report to the Office of Auditor General, the Health and Social Services Committee of the Navajo Nation Council, and the Budget and Finance Committee on the Navajo Nation Council.
4. The Budget and Finance Committee of the Navajo Nation Council hereby directs the Office of the Auditor General to conduct a follow-up review twelve months after the approval of this resolution to verify action taken by the Navajo Area Agency on Aging to implement the corrective action plan and issue a report on the progress and make recommendations to the Health and Social Services Committee and the Budget and Finance Committee.

ORIGINAL

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 at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 3 in favor, 2 opposed, this 21st day of June, 2005.


Bennie Shelly, Chairperson
Budget and Finance Committee

Motion: Ernest Hubbell
Second: Danny Simpson

Legislation 0337-05



**THE
NAVAJO
NATION**



Navajo Area Agency on Aging/ P.O. Box 1390/ Window Rock, Arizona 86515/ (928) 871-6868

Joe Shirley, Jr.
President

October 05, 2004

Frank Dayish, Jr.
Vice President

MEMORANDUM:

EXHIBIT A
to BFDN-36-05

TO: Ryan Claw, Auditor General
OFFICE OF THE AUDITOR GENERAL

THROUGH: Anselm Roanhorse, Executive Director
NAVAJO DIVISION OF HEALTH

FR: LaVerne Wyaco
LaVerne Wyaco, Department Manager III
NAVAJO AREA AGENCY ON AGING

RE: FINDINGS/CORRECTIVE ACTION PLANS – AUDIT REPORT

Dear Mr. Claw:

After close review, with the assistance of Ms. Helen Brown this morning, attached please find the REVISED Findings/Correction Action Plans to the Performance Audit of the Navajo Area Agency on Aging (NAAA), Navajo Division of Health (NDOH).

The Corrective Action Plans are formatted, according to Findings I, II, III, IV and V, pursuant to providing remarks and commentary to the merits obtained and any changes transpired by the NAAA, NDOH.

The Navajo Area Agency on Aging, NDOH would like to extend its appreciation to the Office of the Auditor General in providing this draft report on behalf of the NAAA, at the request of the Navajo Nation President and Executive Director, Navajo Division of Health.

Should you have further questions and/or inquiries, please contact me directly at (928) 871-6783.

ATTACHMENTS:

xc: Anselm Roanhorse, Executive Director, Navajo Division of Health
file copy

COPY

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

COPY

CORRECTIVE ACTION PLAN

Page 01 of 11

Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING I: NAAA Budget for Senior Centers Needs to be Based on Service Levels			
Service levels do not guide NAAA budget planning.	NAAA Department Manager III	01. Identify mandated services as required by the Older Americans Act to determine activities that require funding. Utilize this information to identify budgeting priorities and key indicators.	December 31, 2004
	Senior Management Analyst	02. Research comparable organizations (area agencies on aging) outside the Navajo Nation to determine funding allocation processes and review funding formulas to strengthen budget planning process.	December 31, 2004
	Senior Accountant	03. Analyze census and NAAA data to establish prior year service changes in Navajo elderly population and service provision. Utilize this information to formulate forecasts in future population of Navajo elders and service demands (increases/decreases).	December 31, 2004
	Statistical Technician	04. Evaluate the impact of these changes on current NAAA services, with relation to the following: A. Impact on quality of service. B. Impact on cost of services.	March 31, 2005
	Program Supervisors	05. Coordinate with the Office of Management and Budget to evaluate the budgetary effects of population and service changes.	March 31, 2005
	NDOH Executive Director	06. Develop budgeting baselines to fund key services and support costs (food, operating supplies, janitorial supplies, vehicle lease rate, vehicle mileage rate, utility costs, and waste management costs) for current senior centers.	May 31, 2005
		07. Coordinate with the Office of Management and Budget to formulate key performance measures based on actual service levels.	May 31, 2005

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING I: NAAA Budget for Senior Centers Needs to be Based on Service Levels			
Indication that external funding for the NAAA will decrease.	NAAA Department Manager III	01. Identify and summarize all external funds received by the NAAA, and develop allocation trends of these funds for the previous five (05) years to determine increases and decreases.	November 31, 2004
	Senior Management Analyst	02. Determine causes for funding fluctuations for each external funding source.	December 31, 2004
	Senior Accountant	03. Determine service units that are provided utilizing external funds (home delivered meals, congregate meals, transportation, and social supportive services) for the previous five (05) fiscal years and develop projected service provision with projected funding allocations for the next five (05) years.	January 31, 2005
	Program Supervisors	04. Assess expenditure rates for previous five (05) years for each external funding source to develop enhanced expenditure plans for funds. Utilize this information to enhance quality assurance mechanisms to expend allocated funds.	January 31, 2005
	Contract Accounting Section	05. Incorporate funds expenditure plans in immediate programmatic and long-term (strategic) planning to prevent funds reversion and carry-forwards.	February 27, 2005
	Statistical Technician	06. Develop alternative financing plans, include seeking additional funds to support, as well as expand services from other funding sources:	June 30, 2005
	Program Supervisors	a. Submitting Grants b. Third Party Collection c. Cost Share with other programs	

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PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING I: NAAA Budget for Senior Centers			
Budgetary effects of opening new Senior Centers needs to be analyzed.	NAAA Department Manager III	01. Develop program plan to support each Senior Center currently in operation. Utilize this information to establish probable operating costs for newly constructed and proposed Senior Center sites.	November 31, 2004
	Senior Management Analyst	02. Develop agreement with NN Design & Engineering and Capital Improvement Office to complete the planning and implementation of: A. Senior Centers that are fully constructed, but waiting to open for operation. B. Senior Centers under construction and anticipated completion dates.	December 31, 2004
	Senior Accountant	C. Projected proposals for new Senior Center facilities included in the Capital Improvement Program plan.	
	NDOH Planning Section	D. Feasibility study with the Capital Improvement Office, the Navajo Nation Council's Transportation and Community Development Committee and Budget and Finance Committee to determine feasibility of new Senior Center construction projects and associated support costs. E. Coordination with the NN Design & Engineering and Capital Improvement Office department to discern appropriate planning for short-term and long-term planning for Senior Center construction activities.	
		03. Develop a policy and procedures format to construct new Senior Citizen Centers and/or renovate existing centers that includes priority for operational funding.	March 31, 2005

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING II: Personnel Options for Senior Centers Can Result in Savings			
Opportunities for savings exist with the Senior Center personnel	NAAA Department Manager III Senior Management Analyst NDOH Human Resources Analyst Program Supervisors Statistical Technician NDOH MIS Section	01. For the FY' 2005 budget, the NAAA has already developed and implemented the reduced hours for those identified Senior Centers. 02. Develop mapping activities to target communities in close proximity to one another for a central "Senior Center" and distribute services to local areas. This activity will not involve closing any senior centers. 03. Assess, review and update: <ul style="list-style-type: none"> a. Staffing pattern at all sites b. Supervisor's roles and responsibilities c. Reporting requirements 	October, 2004 December 31, 2004 February 28, 2005

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PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING III: NAAA Services Reach a Small Percentage of the Navajo Elder Population			
Social and recreational activities for Navajo elderly are limited.	NAAA Department Manager III Senior Management Analyst Program Supervisors Senior Center Supervisors Advisory Councils on Aging	01. Conduct assessment to identify needs for social and recreational activities at local Senior Centers. 02. Develop plans to provide such services to the elders. 03. Establish partnerships with local health, social, and recreational agencies to provide and create activities for elders. 04. Implement customer service survey to abstract satisfaction/dissatisfaction with services and determine activities that reflect their interest in recreational needs.	December 31, 2004 March 31, 2005 June 30, 2005 June 30, 2005

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PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING IV: NAAA SERVICES DUPLICATE DSS SERVICES			
Similar programs exist within NAAA and DSS	NAAA Department Manager III	01. NAAA has determined that the continued existence of the Adult In-Home Care Program is not necessary, and has abolished this program effective September 30, 2004.	September 30, 2004
	DEPP Administrative Services Officer	02. Strengthen working relationships with Division of Social Services through Memorandum of Understanding/Memorandum of Agreement to ensure necessary support services to keep elders in own home and delay institutional placement and address case management activities.	December 31, 2004
	Senior Management Analyst Senior Caseworkers	03. Continue task force to implement the revision of the Dine Elder Protection Act and conduct feasibility study to determine placement of protection activities either with Navajo Area Agency on Aging or the Division of Social Services.	March 31, 2005

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING IV: NAAA SERVICES DUPLICATE DSS SERVICES			
DSS is the ideal division to administer AIHC and DEPP programs.	NAAA Department Manager III	01. Assess workload of Division of Social Service staff who handle in-home care services and elder protection services to discern capability to absorb additional services.	December 31, 2004
	DEPP Administrative Services Officer	02. Coordinate with the Division of Social Services to discern the feasibility of transferring all elder protection services and activities.	March, 2005
	Senior Management Analyst	03. Amend current Dine' Elder Protection Laws to coincide with administrative decisions regarding final placement of responsibilities for the provision of protective services for elders.	September, 2005
	Senior Caseworkers		
	NDOH Human Resources Analyst		

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING V: NAAA Administrative Operations Need Improvement			
NAAA statistical data needs to be reliable.	NAAA Department Manager III	01. The NAAA will update & simplify policies and procedures regarding the compilation of statistical reports for home delivered meals, congregate meals, and social supportive service at each Senior Center to assure understanding of the methods involved in providing documentation of services and preparation of required reporting mechanisms.	October 31, 2004
	Senior Management Analyst	02. Implement process for all Program Supervisor II's to ensure that reports are accurate and submitted in a timely manner.	October 31, 2004 (Monthly)
	Statistical Technician	03. The Department Manager III with review completed assignments of the Statistical Technician prior to submitting report to funding sources.	September 30, 2005 (Monthly)
	Program Supervisor II's	04. Statistical Technician will train all relevant staff to complete all required reporting formats.	September, 30, 2005 (Monthly)
	Senior Center Supervisors		

CORRECTIVE ACTION PLAN

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING V: NAAA Administrative Operations Need Improvement			
NAAA reporting needs to be streamlined.	NAAA Statistical Tech. Program Supervisors Senior Management Analyst Senior Center Supervisors	01. To review reporting requirements to streamline number of required reports. 02. To develop necessary reporting mechanisms (C1, C2, Social Services, etc.) via computers to streamline administrative time spent on reporting by senior centers. 03. To purchase computers for all senior centers to aid staff in generating reports to NAAA Agency/Central offices. 04. Senior Centers Supervisors to be more responsible for all required reporting.	December, 2004 September, 2005 September, 2005
NAAA financial system needs improvement.	Senior Management Analyst Senior Accountant	01. Update NAAA Financial Management Policies and Procedures to reflect new FMIS protocols for fund management for each NAAA programs. 02. To facilitate better communication regarding budgeting, expenditures, reconciliation, ledger management more efficient fiscal management budget review meeting with Agency staff and senior center staff to be held monthly. 03. Provide information or status report about budget, funding and contractual agreement to staff at all levels on a regular basis. 04. Department Manager III will review Senior Accountant's assignments periodically.	January, 2005 January, 2005 On-Going On-Going

**Report to the
Office of the President/Vice President**

**Performance Audit
of the
Navajo Area Agency on Aging**

**OFFICE OF THE
AUDITOR GENERAL**

The Navajo Nation

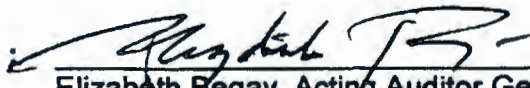
Audit Report No. 04-06

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

TO : Anslem Roanhorse, Executive Director
DIVISION OF HEALTH

: Laveme Wyaco, Program Director
NAVAJO AREA AGENCY ON AGING

FROM


Elizabeth Begay, Acting Auditor General
OFFICE OF THE AUDITOR GENERAL

DATE : June 30, 2004

SUBJECT : A Performance Audit of the Navajo Area Agency on Aging

The Office of the Auditor General herewith transmits Audit Report No. 04-06, a Performance Audit of the Navajo Area Agency on Aging with findings and recommendations for your consideration.

If you have any questions regarding this report, please call our office at 871-6303.

Enclosure

Chrono

**Report to the
Office of the President/Vice President**

**Performance Audit
of the
Navajo Area Agency on Aging**

Audit Performed by:

Helen Brown, Principal Auditor

Calandra Etsitty, Auditor

Karen Briscoe, Auditor

Beverly Tom, Associate Auditor

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SUMMARY

The Navajo Nation Office of the Auditor General has conducted a performance audit of the Navajo Area Agency on Aging (NAAA) within the Division of Health (DOH). The Navajo Nation President and the Executive Director of the DOH requested the audit. The audit evaluates the efficiency and effectiveness of the NAAA in utilizing program resources and providing services to Navajo elders.

FINDING I: NAAA Budget for Senior Centers Needs to be Based on Service Levels

The NAAA appropriated budget has been relatively the same year after year. The planning base amounts and allocations to NAAA programs are based on prior year budgets rather than actual service levels or future demand. By relying on prior year budgets, the NAAA budget does not necessarily consider any fluctuations in service levels or the impact of opening new centers. Consequently, the NAAA budgets have not been reflective of what is actually needed.

FINDING II: Personnel Options for Senior Centers Can Result in Savings

As Navajo Nation revenues continue to decline, programs and departments have to start taking cost-saving measures. For the NAAA, the biggest program cost is Senior Center personnel. In the past years, the NAAA has relied upon supplemental appropriations to fund Senior Center personnel full-time. However, as the Navajo Nation revenues gradually decline, it has become more difficult to meet the requests for supplemental appropriations. Considering this, the NAAA can no longer rely on supplemental appropriations as it did in past years. The NAAA has to identify other alternatives on how to staff its programs, especially the Senior Centers.

FINDING III: NAAA Services Reach a Small Percentage of the Navajo Elderly Population

The Navajo elderly population is growing. Along with this growth also comes a higher demand for the NAAA services. Our review found that although the NAAA was established in 1977, the program is still providing services to only a small percentage of the total elderly population. The Navajo Nation Senior Center services fall short of services provided by comparable organizations outside the Nation.

FINDING IV: NAAA Services Duplicate DSS Services

Duplication of similar services is a type of inefficiency commonly found in organizations. By eliminating duplication of similar services, the organization can realize savings. As part of its cost-saving measures, the NAAA needs to evaluate two programs: Adult In-Home Care and Dine Elderly Protection against similar programs within the Division of Social Services (DSS). Although our review did not include an in-depth analysis of the operations of the two programs, we nonetheless recognized similarities among the services they provide with the programs within DSS. Further evaluation revealed potential savings of \$320,000 if NAAA programs were merged with those within DSS.

FINDING V: NAAA Administrative Operations Need Improvement

The NAAA comprises of a central office, five agencies and 91 Senior Centers. The NAAA administers about five different programs and receives funding from about six different sources. The external funding is appropriated to the NAAA under various funding agreements, each with their own terms and conditions. Managing the NAAA requires strong internal controls. In reviewing the NAAA administrative operations, we found several deficiencies.

INTRODUCTION AND BACKGROUND

The Navajo Nation Office of the Auditor General has conducted a performance audit of the Navajo Area Agency on Aging (NAAA) within the Division of Health (DOH). The Navajo Nation President and the Executive Director of the DOH requested the audit. The audit evaluates the efficiency and effectiveness of the NAAA in utilizing program resources and providing services to Navajo elders.

Organizational structure

The first senior nutrition site for Navajo elders was established in 1974. In 1977, the Navajo Aging Department was first created to provide services specifically for Navajo elders. In 1980, the department was renamed the NAAA. The NAAA is a department within the Division of Health with oversight provided by the Health and Social Services Committee of the Navajo Nation Council. Currently, the NAAA comprises of the following programs:

1. Senior Citizen Centers
2. Adult In Home Care
3. Dine Elder Protection Program
4. Elderly Home Care Services
5. Foster Grandparent Program

The NAAA administers its program services from five agency offices as well as its central office in Window Rock. A program supervisor heads the agency offices with overall supervision by the NAAA director.

Within the Senior Citizen Center program, the NAAA oversees 91 Senior Centers across the Navajo Nation. Most of these centers are located adjacent to chapter houses. There are several centers which service more than one community and other centers operate out of chapter houses. Most centers are staffed with three personnel: supervisor, cook and driver. The larger centers may employ additional staff.

Purpose and authority

Based on its plan of operation, the purpose of the NAAA is to provide meals, transportation, health, personal, social, recreational and referral support and services to eligible Navajo elders in coordination with other tribal and non-tribal agencies/entities.

In a tri-state agreement signed in 1979 between the states of Arizona, New Mexico, and Utah, the NAAA was given the lead role in developing and enhancing a comprehensive and coordinated community based service system by insuring that certain minimum criteria are met when providing services authorized and funded by the Older Americans Act. The NAAA was designated service area region VII and monitored primarily by the State of Arizona.

The NAAA develops an Area Plan on Aging that outlines how the NAAA plans to achieve its mission of providing aging related services to the areas of greatest need and to the greatest number of Navajo elders without jeopardizing the quality of service. The plan outlines the priority needs, goals, objectives, and activities that will be undertaken for a period of three consecutive years. Further, the Area Plan serves as commitment to the State of Arizona Aging and Adult Administration of how NAAA will utilize the state funds to fulfill their administrative responsibilities. The Area Plan is renewed every three years with annual adjustments as needed.

NAAA Programs

The NAAA programs are specifically for the Navajo elderly. Navajo elderly 50 years old or older are eligible to receive services or participate in these programs. In some instances, income criteria are applied to determine eligibility. Each program has its own purpose as noted in the following:

1. *Senior Citizen Center Program* - to provide meals, transportation and other support services and assistance to eligible Navajo elders.
2. *Adult In-Home Care Program* - to provide and maintain part-time volunteer opportunities for low income Navajos age 50 years and older to provide in-home care services to adults and elderly people who have been determined to have a need for such services.

Under the Adult In-Home Care Program, there are additional related programs which receive funding based on their specific purposes.

- *Homemaker/Housekeeping Program* - to provide general household activities at an elderly person's primary place of residence in an effort to sustain independent living and thus prevent or delay institutionalization of the elderly person away from their own home and communities.
 - *Alzheimer/Respite Program* - to provide support and assistance for elderly clients and primary caregivers of an individual by assigning a volunteer who may perform services such as companionship, non-medical personal care, meal preparation or arrange emergency transportation.
 - *National Caregiver Support Program* - to provide support and assistance to the primary caregiver of an elder thru services such as individual counseling, support groups, caregiver training and other available services.
3. *Dine Elder Protection Program* - to implement and develop a coordinated system of elder protective services consistent with the provisions of the Dine Elder Protection Act.
 4. *Elderly Home Care Services Program* - to provide supervised care services to ambulatory elderly Navajos in their own communities as an alternative to the traditional nursing home care.

5. *Foster Grandparent Program* - to provide part-time volunteer opportunities for low income Navajo persons age 60 or older to provide supportive person-to-person services in health, education, welfare or related services to help alleviate the physical, mental or emotional problems of children having special or exceptional needs.

Funding

NAAA program services are funded by Navajo Nation general funds as well as external funds. External funds come primarily from the states of Arizona and New Mexico in accordance with the Older Americans Act. In addition, the NAAA receives fiduciary funds for capital projects. Table 1 below summarizes the NAAA funding for fiscal years 2003 and 2004.

Table 1
Total NAAA Allocations (Approximate)

Fund Type	FY 2003	FY 2004
General Funds	\$10,800,000	\$11,900,000
Fiduciary Funds	500,000	500,000
External Funds	4,100,000	3,700,000
Total	\$15,400,000	\$16,100,000

Source: Compilation of NAAA budget and contract files.

The external funds are awarded to the NAAA under several contracts with various funding agencies including federal, state and county governments. Some of these contracts are multi-year contracts and each imposes various requirements to ensure that the NAAA uses the funds for its intended purposes. The external funds are primarily for supplies, stipends, travel and other operating expenses. On the other hand, the Navajo Nation general funds are primarily for personnel expenses.

Objectives, Scope and Methodology

This performance audit evaluates the efficiency and effectiveness of the NAAA in utilizing program resources and providing services to Navajo elders. Accordingly, the following audit objectives were established:

1. Determine whether SCC personnel are needed on a full-time basis at all Senior Centers.
2. Determine whether NAAA adequately budgets for SCC personnel.
3. Determine whether NAAA is effective in providing SCC services to Navajo elders.
4. Determine whether NAAA services duplicate those services provided by Division of Social Services.
5. Determine the efficiency of NAAA central and agency staff functions.
6. Determine whether NAAA monitoring is effective.

The audit covers NAAA operations and activities for fiscal years 2003 and 2004. More specifically, the audit focused on three of the five NAAA programs: Senior Citizen Center, Adult In-Home Care and Dine Elder Protection. The remaining two programs, Elderly Home Care Services and Foster Grandparent, were not reviewed since they did not pose a significant risk to NAAA operations. One program represents a small portion of the overall NAAA budget and the other program is routinely monitored by its respective external funding agency to ensure compliance with funding agreements.

In meeting our objectives, we performed the following procedures:

- Review of various NAAA records including (but not limited to) the plan of operation, NAAA policies and procedures manual, statistical data, contract files, the Area Plan, job descriptions and legal statutes such as the Older Americans Act of 1965 and Dine Elder Protection Act.
- Interviews with key NAAA staff at the central and agency levels. These people included the NAAA director, central administrative staff, agency directors and program staff. Questionnaires were used to conduct these interviews.
- Interviews with other Navajo Nation departments such as the Office of Management and Budget (OMB), Office of Contracts and Grants, Office of the Controller/Contract Accounting, Department of Social Services, Capital Improvement Office and the Office of Environmental Health.
- Interviews with outside entities such as the contract administrators with the Arizona Department of Economic Security and the Indian Health Services Office of Environmental Health.
- On-site visits to 25 of the 91 Senior Centers on the Navajo Nation. Due to limited audit resources, only a sample of Senior Centers was selected for these visits. Five Senior Centers per each agency were selected. During the on-site visits, the auditors interviewed the supervisor, cook and driver to document their daily tasks and the time spent in completing

these tasks. In addition, the auditors observed Center activities and reviewed records as needed.

- Analysis of statistical data provided by the NAAA statistician. The data analyses focused on the number of meals provided by the Senior Centers in fiscal year 2003. The analyses were necessary to evaluate the actual level of services at the Senior Centers and how such data is used in the NAAA's budgeting process.
- Benchmarking with comparable Senior Centers outside the Navajo Nation. These centers were identified through an Internet search or by telephone directory for the surrounding regions. These centers were either non-profit organizations or government operated (city, tribe, etc.) Once identified, the audit team conducted telephone interviews with these centers to obtain valuable information about their operations and activities.
- Review of contract and budget files to reconcile the total funds awarded to the NAAA under contracts and the total budget amounts. This review involved a time-consuming compilation of information provided from various sources.
- Customer satisfaction survey of a sample of Navajo elders to obtain their feedback on the quality of the Senior Center services. A standardized survey was developed and the survey had to be conducted by a Navajo-speaking auditor. These elders were surveyed during their mealtime with the assistance of the Senior Center supervisors.
- Test work of a sample of NAAA expenditures to evaluate the approval process from the Senior Center level to agency level and to the central administration level. In addition, the test work determined the time required to process financial documents.

*** All audit samples were selected using non-statistical, judgmental sampling methods.

The results of our examination are presented in the following pages.

This audit was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the entity under audit. An audit includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe our audit provides a reasonable basis for our conclusions.

The Office of the Auditor General and staff express their appreciation to the Navajo Area Agency on Aging staff and all other entities who contributed to this audit for their cooperation and assistance throughout the audit.

FINDING I

NAAA Budget for Senior Centers Needs to be Based on Service Levels

The NAAA appropriated budget has been relatively the same year after year. The planning base amounts and allocations to NAAA programs are based on prior year budgets rather than actual service levels or future demand. By relying on prior year budgets, the NAAA budget does not necessarily consider any fluctuations in service levels or the impact of opening new centers. Consequently, the NAAA budgets have not been reflective of what is actually needed.

Service levels do not guide NAAA budget planning.

Each year, the budget planning base amount for the NAAA is determined by the DOH administration. Thereafter, the NAAA allocates the funds among its programs with the Senior Centers typically receiving the largest portion of the planning base amount. The NAAA further divides the funds among the five agencies and the central office. At the agency level, the agency offices also develop their respective budgets along with budgets for the Senior Centers within the agency.

With 91 Senior Centers and five agencies, the NAAA budget process can become a confusing and cumbersome task. To add more confusion, the NAAA also has to prepare budgets that meet the external funding agency requirements. The Navajo Nation budget process also usually involves making numerous revisions to the proposed budgets as they proceed thru the process. Collectively, the NAAA budget process is a daunting undertaking each year.

Considering the amount of work involved in preparing the NAAA budget, it is understandable why there has been a tendency in the past to simply rely on prior year budgets to determine the allocations among the programs and agencies. However, by taking this approach, DOH as well as the NAAA administration is not being realistic in what resources are actually needed to provide quality services to Navajo elders. Changes in service levels, especially with Senior Center services, are not being properly anticipated and analyzed as part of the budget process. Consequently, the planning base amount allocated to the NAAA is not sufficient to fund, at a minimum, three full-time employees to operate each of the 91 Senior Centers. Accordingly, the NAAA initially budgets its Senior Center employees at less than full-time. Thereafter, the NAAA requests for supplemental funding to return the Senior Center employees back to full-time employees. Each year, the NAAA has been requesting for supplemental funding. Some NAAA staff claimed that such requests have been made every year as far back as ten years or longer.

The Navajo Nation is currently requiring departments, programs, chapters and entities to develop performance-based budgets. In other words, a program's performance should dictate

how resources will be appropriated. To develop realistic performance measures, the program needs to look at its actual results from prior fiscal years, evaluate any changes which may be taking place from one budget year to the next and develop its expected results for the upcoming fiscal year. For the NAAA, our audit revealed that the service level at the Senior Centers has been changing over the years with the Navajo elderly population growing, and new Senior Centers are being opened for more NAAA services. However, there was little evidence that the NAAA analyzed the budgetary effect of these changes.

With regards to Senior Center personnel, the NAAA claimed that alternative options were considered in the past but no documentation was provided for our review. Further, the NAAA indicated that it does not receive assistance from OMB to thoroughly analyze various budget options for its personnel. OMB acknowledged that their assistance focuses primarily on making sure that all required budget forms are completed, submitted on time and calculations are accurate. In the absence of any in-depth analysis, DOH and the NAAA take the simplified approach of relying on prior year budgets. However, by doing this, the NAAA is at risk of developing a budget that falls short of what is actually needed.

Inquiry with comparable Senior Centers outside the Navajo Nation found that their budgets are developed based not only on prior year budget allocations but also statistical data including census/enrollment numbers. The statistical data is important because it describes the actual service levels and any changes therein over a period of time. For example, the census data may show the number of people who are eligible for Senior Center services and how many more will qualify in the next years. Based on this information, the Senior Centers can anticipate how its service level will change in the near future and plan accordingly.

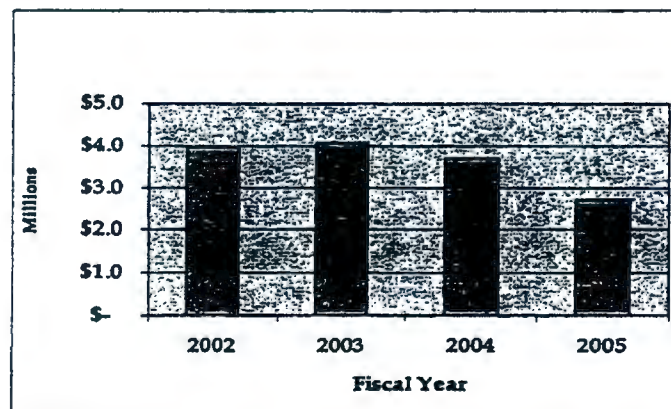
The NAAA cannot continue to simply rely on prior year budget information to plan for future changes in services. The NAAA maintains a database of statistical data on how many clients are registered, how many meals are served, how much social services are provided and so forth. With this information readily available, the NAAA can budget its resources more realistically. The level of services should dictate how the NAAA allocates its program resources for the upcoming year. This approach is especially important at a time when resources are declining.

Indication that external funding for the NAAA will decrease.

NAAA receives most of its external funds from the states of Arizona and New Mexico under various programs specifically for elderly people. There are programs that provide services directly to the elderly people such as home care services, elder protection, social services or meals. Further, there are programs that hire volunteers to provide assistance to the elderly such as adult in-home care as well as programs to assist families who care for their elderly family members. Specifically, the external funds are used for such items as food supplies used in preparing meals provided by the Senior Centers as home-delivery or congregate meals and for stipends to elders who volunteer their time to assist other elders or school children. Generally, the external funding is intended primarily for direct services.

The external funding represents about 25% of the total NAAA budget. According to the state funding agencies, a funding formula is used to determine the annual allocations to the NAAA. This funding formula takes into consideration information such as census data on the Navajo elderly population and the NAAA statistical data on direct services. Until fiscal year 2003, the annual allocations have been relatively steady. However, in recent years, the external allocations have been decreasing. In fiscal year 2004, there was 25% decrease in one critical program and another 17% decrease is projected in fiscal year 2005. Table 2 shows the overall external funding trend from fiscal year 2002 to 2005.

Table 2
External Funding Trend (2002 to 2005)



Source: NAAA contract files.

In our interview with the state funding agency, it is predicted that future funding will continue to gradually decline. This would mean less funding for direct services in the area of meals and social services.

Budgetary effect of opening new Senior Centers needs to be analyzed.

Our audit also found that the number of Senior Centers being constructed and opened affects the amount of external funding awarded to the NAAA for direct services. Currently there are 91 total Senior Centers. According to the NAAA, there is the inherent assumption by the Navajo Nation Council and Navajo elders that each of the 110 Chapters will have a Senior Center established for its elderly community members. This means that 19 Senior Centers are still needed.

According to the Capital Improvement Office records, of the 19, six Senior Centers have either been recently built but not opened yet, are under construction or being proposed as a capital project. The NAAA is uncertain of whether funds will be available to open these new Senior Centers. On average it cost \$108,000 to operate a Senior Center annually. For the 19 centers, the

Navajo Nation would need to anticipate \$2 million as additional future funding for the NAAA.

The future funding is not only for personnel but operating expenses as well. As stated previously, most operating expenses are covered by the external funds. As more centers are opened, the need for external funds will increase. However, if the external funds continue to decline, it would be upon the Nation to identify general funds to cover the external funding shortfalls. However, this may be a difficult task since Navajo Nation revenues are also anticipated to decline in the near future.

It was also noted that of the 91 Senior Centers, 31 currently operate out of chapter houses. In other words, these centers do not have their own facility. Of the 31, the Capital Improvement Office records show that 19 are either recently built but not opened yet, under construction or being proposed as a capital project. Although these 19 centers already have NAAA personnel and operating budgets in place, additional costs for furnishing and maintaining the new facilities still need to be anticipated. The Nation would also need to plan for these additional costs in the near future.

Overall, the NAAA needs to reassess its current approach for budgeting program resources. They need to focus on service levels in determining how available resources are allocated. By focusing on service levels, the NAAA will realize that the past budgeting approaches are no longer plausible in light of declining Navajo Nation revenues and that there is a need for cost-saving measures. Specifically for the Senior Centers, the NAAA can no longer apply the "cookie cutter" approach for personnel wherein each center has the same number of staff members working full-time. In actuality, the Senior Centers differ with respect to how many elders they serve and the level of activities they offer. Therefore, it is the level of services that should determine the number of staff members and work hours needed for each Senior Center. The next finding discusses personnel options for the Senior Centers.

Recommendations

1. The DOH and NAAA should work in consensus to determine the appropriate planning base amount for the NAAA. Information such as statistical data of NAAA services, census information of the elderly population and financial projections should be analyzed and relied upon to justify the allocations.
2. The NAAA should develop a future trend analysis of the external funding to anticipate any potential shortfalls and its effects on program services. This information will be critical to the NAAA's budget planning.
3. The NAAA should conduct a comprehensive impact analysis of building new Senior Centers. This analysis will help determine whether the Nation can realistically afford to open and maintain Senior Centers at each of the 110 Chapters.
4. The DOH and NAAA should consider the volume of work or service levels in making allocation decision to programs.

FINDING II

Personnel Options for Senior Centers Can Result in Savings

As Navajo Nation revenues continue to decline, programs and departments have to start taking cost-saving measures. For the NAAA, the biggest program cost is Senior Center personnel. In the past years, the NAAA has relied upon supplemental appropriations to fund Senior Center personnel full-time. However, as the Navajo Nation revenues gradually decline, it has become more difficult to meet the supplemental appropriation requests. Considering this, the NAAA can no longer rely on supplemental appropriations as it did in past years. The NAAA has to identify other alternatives on how to staff its programs, especially the Senior Centers.

Opportunities for savings exist with Senior Center personnel.

As stated in Finding I, the service levels need to guide the decision-making process of how the NAAA personnel resources are used. During the on-site visits to several Senior Centers, we noted that the primary service is providing congregate and home delivery meals. Other social services such as friendly visitations, transportation and information/referrals are secondary. Since providing meals is the primary service, the number of meals served is the ideal indicator to determine the level of services at each center.

We reviewed the statistical data maintained by the NAAA to evaluate the levels of services among the 91 centers. We found that some centers serve a large number of meals each day such as the Fort Defiance Senior Center that serves on average of about 67 meals per day. On the other hand, there are also centers serving a small number of meals such as the Burnham Senior Center that serves on average of approximately 10 meals per day. Despite the disparity in the number of meals served, each of the 91 Senior Centers employs the same number of employees (supervisor, cook and driver). A few centers have additional staff such as a cook aide or another driver.

For the small centers, the three employees had no difficulty in completing their daily tasks within the standard work hours. Also, there are opportunities for idle time considering the small number of meals they serve and requests to provide other services are sporadic. However, for the larger centers, the employees indicated that they typically have to stay after work hours to complete certain tasks such as completing forms or reports. Therefore, the centers with higher service levels can better justify the need for three employees to be full-time and for additional employees to help with providing services.

The NAAA needs to evaluate these types of disparity in actual service levels during its budget process to ensure each Senior Center staff size and work hours can be properly justified. Otherwise, there is a risk that the NAAA is wasting resources for over funding small centers

where three full-time employees are not needed and under funding large centers who need three or more full-time employees.

Considering this, we identified alternative options for staffing Senior Centers. These options focus on realizing personnel savings without adversely jeopardizing the quality of program services. Table 3 shows four options and their respective potential cost savings.

Table 3
Summary of Personnel Options

<u>OPTION</u>	<u>DESCRIPTION</u>	<u>PERSONNEL SAVINGS</u>
Option #1	One center services several communities.	\$1,370,000
Option #2	One supervisor oversees two centers.	\$1,180,000
Option #3	Reduce the center hours for small centers.	\$ 830,000
Option #4	Reduce work hours for cook and driver at small centers.	\$ 490,000

Note: The personnel savings are approximate figures.

Source: Auditor General compilation and analysis.

Option #1: One center services several communities.

There are currently 91 Senior Centers in operation. Most of these centers are set up as one center/one community. However, we found that some centers provide services to more than one community. For example, the Ganado Senior Center services the communities of Ganado, Cornfields, Kinlichee, Klagetoh and Steamboat. Unlike Ganado, these communities do not have their own designated center and as a result, the elderly people of these communities have to rely on the Ganado Senior Center for their meals and other NAAA services.

Within the five agencies, we found 15 Senior Centers that operate in this fashion. These 15 centers service approximately 19 additional communities. Although these Senior Centers service more than one community, most of them work with the typical staff size of three also found at centers servicing only one community. In other words, most of the 15 centers do not have additional staff due to the additional clientele. However, the three employees at these centers indicated that they experience little difficulty with providing services despite their size.

Considering that the current practice of one center servicing more than one community does not present major hindrances, we conducted a comparative analysis of current and future personnel costs to determine how much the Navajo Nation is saving at this time. Under the current practice, personnel costs (wages and fringe benefits) for the 15 centers total approximately \$1.3 million. However, if in the future the Navajo Nation sets up the one center/one community operation and establishes a Senior Center in each of the 19 other communities with three personnel, the total personnel costs will potentially rise to approximately \$2.7 million. With the current practice, the Navajo Nation is saving about \$1.4 million in personnel costs.

As stated in Finding I, there is an inherent assumption that a Senior Center will be established at each of the 110 chapters. With 91 Senior Centers at this time, 19 more centers are likely to be established sometimes in the near future. Therefore, the \$1.4 million considered a savings at this time will eventually become future personnel costs the Nation would need to plan for to open the 19 centers. This figure will increase once operational costs are included.

In taking cost-saving measures, the Nation would need to be realistic in deciding whether these future centers are actually needed or can the NAAA continue to provide services with the current number of centers. Nevertheless, at this time, the Navajo Nation is realizing cost savings by having some centers service more than one community without overburdening the center staff.

Option #2: One supervisor oversees two centers.

The current NAAA organizational structure provides for one supervisor for each Senior Center. The supervisors are responsible for overseeing the daily operations of the centers. In visiting the Senior Centers, we noted some centers have one supervisor overseeing two centers due to vacancies or funding shortages. The funding shortages typically occurred at the beginning of each fiscal year. The shortages required the NAAA to budget Senior Center staff at less than full-time until the supplemental appropriation is approved. Once approved, the NAAA reinstates the personnel to full-time work hours. However, in some cases, the NAAA arranged to have one supervisor oversee two centers to keep the other employees at full-time.

During our on-site visits, we found Chinle agency applied this option to several of the centers within its agency. The Senior Center staff at these centers for the most part indicated that the arrangement did not adversely affect the quality of services to the elderly people. The cook and driver also indicated that during this time they still managed to effectively perform their duties without a supervisor. Considering this, we evaluated the option of having one supervisor oversee two centers as a cost-saving measure for the NAAA.

For this option to be viable, the supervisor would need to be able to manage the workload demanded by two centers. Since the centers vary in service levels, we categorized the 91 centers as large, medium and small centers. We found that the highest average of meals served per day for large centers was 67. The large centers with this average operate with four personnel. On the other hand, the combined average from the medium and small centers was approximately 60 meals per day, which is still below the highest average for large centers. This means that a supervisor that can manage a center, which serves on average 67 meals per day, can also manage two separate centers, which together serve on average 60 meals per day. As such, the NAAA can eliminate several of the supervisor positions to reduce costs.

Of the 91 total centers, there are approximately 72 small and medium centers that can be combined for one supervisor to manage. In doing so would result in the elimination of 36 supervisor positions. By eliminating these positions, the NAAA can realize a potential saving of

approximately \$1.2 million in personnel costs. However, the changes will likely result in added operating expenses such as higher travel costs for the supervisor to travel between the two centers. Nevertheless, the savings will outweigh personnel expenses for having one supervisor for each medium or small center.

In all likelihood, the supervisor's workload will increase but not significantly since most of the center activities and staff responsibilities are relatively the same. Of course, the supervisor would need to divide his/her time between the centers. To do so would require traveling between the centers. To minimize travel costs, those centers in close proximity of each other should be combined. In addition to supervising additional staff, the supervisor needs to be available for the elders at both centers to help address their needs. This will require the supervisor to be at one center for a specified number of hours and the remaining hours at the second center.

It is understandable that there is a preference to have, at minimum, three full-time employees (supervisor, cook and driver) at each Senior Center for consistency and equality among all the centers. However, continuing this approach may be at an added expense to the Navajo Nation. Ideally, staffing the Senior Centers should be done in a manner that would be most cost effective for the Nation, especially in light of declining resources. If the NAAA can continue to provide quality services with reduced number of supervisors by having one supervisor oversee two centers, this is a viable option that should be considered.

Option #3: Reduce the center hours for small centers.

Our review of Senior Center activities and services revealed that the primary service provided by the centers is meals. In contrast, the recreational activities are minimal. As such, the Senior Centers are typically recognized foremost by their meal services. The Senior Center staff interviewed indicated that the lack of recreational activities is due to lack of funds or lack of time by employees.

Since the centers primarily serve lunches and provide other services sporadically, there is a question of whether it is cost-effective to keep certain centers open all day. Usually the meals are from 11:00 a.m. to 1:00 p.m. Thereafter, the elderly people will leave or request to be taken home if they have no need for other services and there are no activities scheduled. If a center finishes its services with the meals, there is no need for the center to remain open for the rest of the day.

In reviewing comparable Senior Center operations outside the Navajo Nation, we found some centers that are open only during noon hours to serve and deliver meals to the elderly. For the most part, these centers are open about three hours a day. Accordingly, the staff only works three hours a day. The shorter operational hours are found for centers with a small clientele and provide few services.

Considering that one-third of the 91 Navajo Nation Senior Centers are deemed small, the NAAA may need to consider this option of reducing operational hours for small centers as a cost-saving measure. In reducing operational hours, the NAAA will only need the staff during these hours. As such, personnel savings can be realized. For example, if the small centers are only open for five hours a day, the staff will only need to work 25 hours a week. By reducing hours for all three employees, personnel savings of approximately \$830,000 can be realized. Since the small centers serve a small number of elderly people, it is anticipated that the reduction in hours will have a minimal impact on the quality of services.

Option #4: Reduce work hours for cook and driver at small centers.

Each Senior Center has at least one cook and one driver. A couple of large centers have a cook aide or another driver. Each of these individuals has specific duties and responsibilities with regards to providing services to the elderly people. Most of these duties and responsibilities are for providing congregate and home-delivery meals. On the other hand, the staff also acknowledged that about 20-30% of their duties are for administrative matters. The administrative tasks typically involve paperwork to compile statistical data, complete forms and prepare reports.

Although the NAAA policies and procedures require the cook and driver to perform administrative tasks, these tasks should be kept to a minimum so that the staff can focus on their primary duties and responsibilities. Logically, the cook would only perform cooking tasks. As such, the cook would be basically done with his/her tasks once the meals are served and delivered which was by 1 or 2 p.m. each day as we observed during our on-site visits. The same would be said for the driver. Considering this, the cook and driver may not need to be full-time to complete their primary duties and responsibilities. By having the cook and driver work for only the time that is actually needed, the NAAA can realize some personnel savings.

If the cook and driver are actually needed for only five hours each day to complete their primary duties and responsibilities, the NAAA can potentially save \$490,000 in personnel costs. However, we anticipate the supervisor to remain full-time to be available throughout the day for the elderly people. The work hour reduction for the cook and driver positions is also ideal for only the small centers to ensure the impact of the change is minimal. Again, similar to Option #3, the clientele at the small centers will experience a minimal impact since the employees will still be available to provide the primary service of providing congregate and home delivery meals.

Overall, the NAAA needs to explore other options to operate 91 Senior Centers without requesting for supplemental appropriations. Consideration of alternatives is necessary in light of declining Navajo Nation resources. This report identifies four options that can potentially result in personnel savings. However, to apply these options and obtain the intended results, the NAAA would need to make collective changes. Simply eliminating some positions or cutting center hours or staff work hours will not be enough. The NAAA needs to make changes

in other areas as well, such as reducing or eliminating the administrative tasks of preparing numerous reports for cooks and drivers, the merger of Senior Centers, and the construction of future Senior Center facilities. The options also focus on small centers because there is a question of whether these centers warrant their current allocated resources.

Recommendations

1. The NAAA should continue to implement option #1 in which one center services more than one community. In doing so, the Nation will continue to realize personnel savings.
2. To achieve further personnel savings of approximately \$1.2 million, the NAAA should also implement option #2, having one supervisor oversee two centers. This option should free up resources within the current NAAA budget, which can reduce the amount of supplemental appropriation being requested year after year.
3. The NAAA should consider implementing option #2, having one supervisor oversee two centers, and option #4, reduce work hours for cook and driver at small centers, to eliminate the need to request for supplemental appropriations. Cost savings for the combined options is approximately \$1.7 million.

FINDING III

NAAA Services Reach a Small Percentage of the Navajo Elderly Population

The Navajo elderly population is growing. Along with this growth also comes a higher demand for the NAAA services. Our review found that although the NAAA was established in 1977, the program is still providing services to only a small percentage of the total elderly population. The Navajo Nation Senior Center services fall short of services provided by comparable organizations outside the Nation.

Outreach of NAAA services is small.

The 2000 Census data shows that the Navajo elderly population is growing. The data also showed that about 50% of Navajo elderly live below the poverty line. It is these elderly people that are in specific need for the NAAA services. Considering this, we assessed how well the NAAA is reaching out to these elderly people and informing them of available services. Once the elderly people are aware of the services, how many actually take advantage of them. Table 4 shows the extent of the NAAA outreach to the Navajo elderly.

Table 4
Percentage of Navajo Elderly Benefiting from NAAA Services

Agency	2000 Census Data on Navajo Elderly Pop.	Total Elderly Registered with NAAA	No. of Elderly Served Daily Meals	% of Elderly Pop. Benefiting from NAAA Services
Tuba City	4,802	2,453	366	8%
Crownpoint	3,647	2,660	525	14%
Ft. Defiance	6,882	3,771	506	7%
Chinle	3,980	2,834	412	10%
Shiprock	4,804	2,660	260	5%
Total	24,115	14,378	2,069	9%

Note 1: The number of elderly served daily meals describes those elders who benefit from NAAA services on a regular basis.

Note 2: Data on registered elders with NAAA is as of July 2003.

Source: Census 2000 Data compiled by the Division of Community Development; data on registered elders was provided by the NAAA Statistician.

The table clearly shows that only about 9% of the total Navajo elderly population is actually receiving NAAA services. According to the NAAA statistician, the Senior Centers register elderly people as they come in for meals or other services. However, there is no assurance that the registered elderly people will consistently return to the center for services. To obtain a better assessment of the extent of the NAAA outreach, we focused on the number clients who actually received services from the Senior Centers. With data on the total number of meals served, we

calculated the number of elderly people receiving meals on a daily basis in each agency. These individuals benefit from the Senior Center services on a regular basis as opposed to those who were registered for a one-time service or those in the overall elderly population who have yet to be registered for NAAA services. The NAAA staff indicated that limited resources limit the number of new clients, there is little time for outreach efforts, or there is no defined process on how to implement outreach methods. Currently, the NAAA relies on other sources to identify eligible clients and make referrals to its program.

The NAAA statistical data on the number of registered clients noted in the table above is the best available data despite questions about its accuracy. The NAAA statistician acknowledged that registered client listing provided for our review has yet to be updated to reflect clients that have become newly eligible or those who are deceased or moved out of the community. The NAAA indicated that there is a backlog of records that need to be reviewed to properly update the listing. The discrepancies in the registered client listing may be significant because we found that the data maintained by the Senior Centers is inconsistent with the data that is maintained by the NAAA statistician. Despite the likelihood that the registered client listing contained errors, it was the only data readily available for our audit analysis.

The lack of a defined process for implementing outreach methods also likely contributed to the NAAA reaching only a small percentage of the Navajo elderly population. However, the NAAA is taking a more proactive approach as described in its revised Area Plan on Aging for fiscal years 2004 to 2006. In the revised plan, the NAAA identified outreach methods that will enable the program to identify more elderly people in need of assistance. The following methods were noted in the plan:

- Centers will maintain a list of individuals in the community who are 50 years and older so that when the individual becomes eligible, the Senior Center can contact the person to provide information on services available.
- Centers will post public notices at most accessible public facility to promote services.
- Centers will actively conduct home visits to those individuals who are eligible or may soon be eligible for services.
- Centers will accept referrals and determine eligibility.
- Centers will identify health disparities and prioritize area to apply available resources and place those not reached on unmet needs list.

There is large Navajo elderly population. Unfortunately, the NAAA services reach only a small percentage of this population. There was no evidence that the NAAA has been active in identifying new clients and educating the elderly population about available services. The NAAA has relied on other sources to perform these tasks. Although the NAAA is proposing to take a more proactive approach in its revised Area Plan on Aging, there is a need for a committed effort to reach out to more Navajo elderly.

Social and recreational activities for Navajo elderly are limited.

According to the Older Americans Act of 1965, the Navajo Nation has a duty and responsibility to assist the older Navajo people to secure equal opportunity to the full and free enjoyment of the following:

- The best possible physical and mental health which science can make available and without regard to economic status.
- Participating in and contributing to meaningful activity within the widest range of civic, cultural, educational and training and recreational opportunities.
- Efficient community services.

In meeting these objectives, the NAAA was responsible for making various services available to the Navajo elderly. These services include congregate and home delivery meals, social services and recreational activities. However, during our on-site visits to several Senior Centers, we found that the primary service is providing meals. The social services were sporadic and the recreational activities were very minimal.

In reviewing comparable Senior Centers, we noted an obvious difference in the number of recreational activities being offered between those centers and the Navajo Nation Senior Centers. For the comparable organizations, their centers do not focus on meals only. Rather, they provide services and activities that will occupy the elderly person's time throughout the day. The time spent at the centers will facilitate social interaction and expose the person to valuable information about health or other important issues.

We reviewed the Senior Center activity calendars to identify the various activities typically scheduled for the Navajo elderly. The NAAA activities were compared to those of comparable centers. Table 5 summarizes these results.

[SEE TABLE 5 AT NEXT PAGE]

Table 5
Comparability of Activities offered by NAAA and Comparable Senior Centers

<u>NAAA Senior Center Activities</u>	<u>Comparable Center Activities</u>
<ul style="list-style-type: none"> • Birthday parties • Exercise classes • Bingo • Cake Walks • Trips • Card Playing • Arts & Crafts • Literacy classes • Puzzles • Video movies 	<ul style="list-style-type: none"> • Computer classes • Self defense courses • Dance lessons • Board games (checkers, scrabble, etc.) • Tax aide • Financial counseling • Exercise classes (yoga, armchair, walking, stretching, aerobics, hiking) • Health classes (healthy meals, disease prevention, medication control, foot care, diabetes, high cholesterol, eye screening) • Movies • Bingo/cards • Gardening • Driving classes/courses • Quilting • Bowling • Ceramics • Basic English and math classes • Puzzles • Table tennis • Volunteer programs • Group home visits • Group discussions

Source: Internet information on comparable senior centers outside the Navajo Nation.

As the table shows, the outside centers had much more to offer their clients than the Navajo Nation Senior Centers. A majority of the activities offered by the comparable centers are those that can also be enjoyed by the Navajo elderly. Some activities currently offered by the Navajo Nation Senior Centers are also unlikely to facilitate the participation of all the elderly. For example, activities such as cakewalks and bingo are sponsored as fund-raising activities held in the evenings. Considering the time of the events, few elderly are likely to participate. Ideally, the activities should allow for participation by all elderly at a time when they are available.

We also found that most of the comparable Senior Centers work closely with health professionals in providing health education classes and exercises. The health professionals on a volunteer basis along with other volunteers provide most of the classes. The comparable Senior Centers emphasize the need for physical fitness, and health education for its elderly clients in effort to minimize the number of visits to the hospital by the clients. For example, one Senior Center brings in a certified health professional as a volunteer to conduct balancing exercises for the elderly clients. The exercise classes are done on a daily basis for several weeks at a time.

This type of exercises prevents elderly people from falling as a result of tripping or losing their balance. A fall will likely put the elderly person in the hospital for a long recovery and possibly early placement in a nursing home.

For the Navajo Nation Senior Centers, the staff claimed that exercise classes are conducted with the Navajo elderly. During our on-site visits, we found these classes to be sporadic and conducted for very short periods of time (i.e., fifteen minutes) before meals are served. The activity calendars show exercise classes scheduled once or twice a month but we are unsure of whether the classes are actually completed. Further, certified health professionals do not conduct the classes and the exercises are unlike those provided by the comparable centers. There is no indication that the NAAA Senior Centers seek out volunteers to assist the center in providing more useful exercise classes. For the elderly people to benefit fully from exercise classes, the classes need to be conducted consistently and longer than a few minutes each day. The same can be said for all other activities offered by the center.

In our customer satisfaction survey with several Navajo elderly people, some expressed concerns about the lack of recreational activities at the center. They indicated these activities gradually declined over the years. However, they continue to express interest in participating in other activities besides meals. During our on-site visits, we found that supervisors who are actively involved in senior issues often had more activities for the clients and at times, these supervisors donated personal funds for supplies and materials needed for the activities. These supervisors are also active in seeking financial aid for the activities through donations, charities, and grants as well as assistance from volunteers. Supervisors at other centers did not demonstrate this same initiative.

Overall, the NAAA Senior Centers serve only a small percentage of the overall Navajo elderly population. Furthermore, the current services do not compare to those provided by comparable centers outside the Navajo Nation. Considering this, it would be difficult for the Senior Centers to justify their need for full-time employees, especially at the smaller centers. If the centers want to remain full-time, they will need to increase the activities for the elderly people. To provide more activities will require the supervisor to take a more active role in identifying additional resource pools such as volunteer assistance and private donations to help defray costs and minimize its dependence on Navajo Nation general funds. There is no reason the Navajo elderly not be offered the same types of activities found at comparable Senior Centers.

Recommendations

1. The NAAA should implement outreach methods that will allow for adequate notice of NAAA services to eligible individuals. These methods should involve a proactive approach.
2. The NAAA should expand the number of recreational activities provided at the centers to offer more benefits to the Navajo elderly and to make effective use of program resources allocated to the Senior Centers such as personnel and facility.

FINDING IV

NAAA Services Duplicate DSS Services

Duplication of similar services is a type of inefficiency commonly found in organizations. By eliminating duplication of similar services, the organization can realize savings. As part of its cost-saving measures, the NAAA needs to evaluate two programs: Adult In-Home Care (AIHC) and Dine Elderly Protection (DEP), against similar programs within the Division of Social Services (DSS). Although our review did not include an in-depth analysis of the operations of the two programs, we nonetheless recognized similarities among the services they provide with the programs within DSS. Further evaluation revealed potential savings of \$320,000 if NAAA programs were merged with those within DSS.

Similar programs exist within NAAA and DSS.

Adult In-Home Care. Generally, the purpose of the Adult In-Home Care Program is to provide personal and housekeeping services such as preparing meals, grooming assistance, mobility assistance, transportation assistance, household chores, and yard work. In providing such services, we prevent or delay institutionalization of elderly people away from their home and community. Typically, providers hired by the programs render the in-home care services. The providers go to the elderly person's home and provide the services.

Currently, the Navajo Nation has two divisions that provide these services. The program under the Division of Health is within the NAAA and the other program is within the Division of Social Services. The two programs share similar purposes and client base. Furthermore, they provide direct services in a similar manner.

The primary difference in the two programs is that the AIHC within the NAAA only provides services to people 60 and older. On the other hand, the AIHC under DSS provides services to adults 18 and older including elderly people. The DSS also claimed that another difference is that its AIHC program is considered the payer of last resort for elderly clients. In other words, an elderly client must exhaust all other means before he/she can be considered under the DSS program. As such, the NAAA and DSS work together based on referrals.

Although the DSS provides services to adults 18 and older, we found that a majority of its current caseload involves elderly clients. Of the six AIHC regional offices under DSS, four provided documentation of its current caseload, which revealed that 284 or 96% of the 295 current cases were elderly clients. This tells us that the DSS program is as much involved with elderly people, as is the NAAA program. Therefore, both programs are essentially providing similar services to the same client base.

NAAA statistics also showed that there are currently 167 AIHC clients. The NAAA service level is clearly lower than the DSS program. Both programs also acknowledged that a client might receive services concurrently from DSS and NAAA. However, the services in these circumstances are usually coordinated to avoid any duplication. For example, the NAAA program may provide services on Monday, Wednesday and Friday. The DSS program services would cover Tuesday and Thursday.

By focusing on direct services, we cannot ignore the similarities in services between the two programs. Logically, it would make sense to have one program provide these services. In doing so would also result in some savings. Currently, there is an AIHC coordinator for the NAAA program at each agency. Unless DSS determines that it needs more staff for the additional workload, it is unlikely that these coordinators will still be needed after the merger. We calculated that the elimination of AIHC coordinators at each agency in the merger of the AIHC program under NAAA with DSS can realize a personnel savings of about \$141,000 in general funds.

Dine Elder Protection. The Adult Protection Program within DSS provides adult protective services to adults who are neglected, abused, exploited, or abandoned. These adults include elderly people. In October of 1996, the Navajo Nation enacted the Dine Elder Protection Act specifically for protecting Navajo elderly people. Along with the Act, the Dine Elder Protection Program was established with the NAAA in 1999. The purpose of the program was to provide protective services to qualified elderly people that are 55 and older consistent with the Act.

Like the AIHC program, there is also a similar program within DSS for adult protective services. Upon further review, we found that the DEP program within the NAAA and the Adult Protective Services (APS) within the DSS have similar purposes, objectives and processes. To avoid any duplication in services, there was a service protocol that was established that guides both programs on how to provide services to elderly people. With the protocol, the DEP was given the lead role to handle cases involving elderly people. The DSS program is available for placement only. For instance, if an elderly client needs to be removed from a home to avoid further abuse or neglect, the DEP will refer this client to the APS program for placement. Although the APS staff claims the program is for placement of adults 18 and older, we found that about 79% of its current caseload involves elderly people. Four of the six DSS regional offices reported that of the 116 total APS cases, 92 of those involve elderly people.

For the most part, the DEP and APS programs provide services in a similar manner. The one distinctive difference is the ability of APS to remove a client from his/her home and place them elsewhere for their safety and protection. The DEP program staff lack this authority because the protocol asks for a social worker to perform the task. Considering the similarities, the Navajo Nation needs to consider merging the DEP program within the NAAA with the DSS program. Currently, there is a DEP coordinator at each agency and at the central office. These positions can be eliminated unless the additional workload for the DSS program warrants more staff.

With a merger, personnel savings of \$180,000 can be potentially realized. Of this amount, \$70,000 would be general funds.

DSS is the ideal division to administer AIHC and DEP programs.

According to DSS and NAAA staff, there were previous discussions of merging the AIHC and DEP programs but nothing ever materialized. There was no evidence that a feasibility study, which would evaluate the viability of this option, was done by DSS or NAAA. For the most part, the staff agrees that the programs are providing similar services and it would be more cost-efficient for the Navajo Nation to merge the programs. However, the main concern from the NAAA is whether a merger will diminish the quality of services for the Navajo elderly. Considering that the client base for the DSS programs is primarily elderly people, the attention on elderly people is unlikely to diminish.

As stated previously, the DSS and NAAA programs typically work together in providing services. However, according to DSS, the NAAA programs often seek assistance from DSS staff. Each DSS regional office comprises of professionals with social work expertise, licenses and technical skills. Unlike the NAAA agency offices, the DSS regional offices have a number of social workers along with the caseworkers. The DSS staff claimed that at times it also provides training to the NAAA staff and it typically has more authority with other social service offices and agencies like law enforcement. Considering this, the DSS is the ideal division to manage the AIHC and DEP programs currently administered by the NAAA.

Overall, there is a potential for personnel savings by the merger of NAAA and DSS programs. The programs provide similar services for similar purposes. Also, the current caseload for DSS involves a high number of elderly clients. The concern the elderly will not be given adequate services with the merger are hardly true since the DSS is already providing a majority of its services to elderly people.

Recommendation

1. The NAAA should conduct a comprehensive feasibility study to determine the viability of merging the AIHC and DEP programs under the NAAA with DSS.

FINDING V

NAAA Administrative Operations Need Improvement

The NAAA comprises of a central office, five agencies and 91 Senior Centers. The NAAA administers about five different programs and receives funding from about six different sources. The external funding is appropriated to the NAAA under various funding agreements, each with their own terms and conditions. Managing the NAAA requires strong internal controls. In reviewing the NAAA administrative operations, we found the following deficiencies:

1. NAAA statistical data was not always reliable.
2. NAAA monitoring was weak overall.
3. NAAA reporting is cumbersome.
4. NAAA financial system does not allow for accurate and timely information.

NAAA statistical data needs to be reliable.

Each month, the Senior Centers generate and remit reports of statistical data of the various services provided by the center. More specifically, the reports provide information on the number of clients served, types of services provided and level of services. This statistical data is valuable information because the external funding agencies rely on this data to reimburse the Navajo Nation. They also rely on this data to evaluate the NAAA's compliance with funding agreements and applicable laws as well as the program's overall accountability of resources.

In conducting this audit, we also relied on this statistical data to evaluate the NAAA's performance in meeting its goals and objectives. However, we encountered several problems in the statistical data. First, the data was incomplete. Consequently, there was a delay in receiving the data from the NAAA because the statistician had to complete her compilation. Eventually, we received the data but in piecemeal fashion. Before analyzing the data, we tested it for its reliability by reconciling the statistician's report to the source documents maintained at the Senior Centers and agency offices. The reconciliation revealed various errors and miscalculations within the data. For example, the data report on congregate and home-delivery meals was incomplete and inaccurate for numerous Senior Centers. The statistician reported zero meals for those centers that did not supposedly submit their monthly reports. However, in our follow-up inquiries, these centers claimed that the reports were submitted on time and more than likely, the central administration staff misplaced the reports. If the centers had the data readily available, it was obtained to complete the statistical data report.

Our analysis also revealed instances where the statistician erroneously duplicated data and large fluctuations in social service data from one month to the next could not be explained. It was a time-consuming task for the audit team to reconcile and correct the statistical data. However,

there is no assurance that all the errors were detected and corrected. As such, the statistical data still remains questionable and cannot be relied to accurately evaluate the NAAA's performance.

The NAAA statistical data is the basis for reimbursements from the external funding agencies. To ensure these reimbursements are accurate, the statistical data needs to be accurate. Otherwise, there is a risk that the external funding agency will underpay or overpay the Nation. We found one instance where this occurred with the Arizona Department of Economic Security Title III funds. A review of the financial report against the statistician's records revealed that approximately 8,800 meals were not reported. Consequently, the Nation's reimbursement was less by \$4,800. Essentially, the Nation was not fully reimbursed for services rendered.

In addition to the inaccurate reports, we found that the financial reports needed by the funding agency for reimbursements are often submitted late. For example, the January 2004 report was not submitted until March 2004, 46 days late. However, reports are due to the funding agency on the 20th of each month. Untimely reports also raise questions by the funding agencies about how the NAAA is using its resources. Furthermore, some of the Senior Center staff indicated that they are uncertain of how to prepare the statistical reports properly. As such, the staff would like to see more training by the statistician.

Overall, the importance of maintaining accurate and reliable statistical data cannot be stressed enough. The data is critical to ensuring that the Nation is properly reimbursed by the external funding agencies. The NAAA director needs to periodically review the statistician's work to make sure that the data is well maintained. Right now, this oversight is lacking.

NAAA monitoring needs to be strengthened.

Senior Centers. The NAAA central administration as well as the agency offices is not adequately monitoring Senior Center activities. The NAAA policies and procedures states that the central administration shall monitor and evaluate all worksites (Senior Centers) in terms of their programmatic, administrative, and fiscal management of all aging related programs at least once every two years. However, the only monitoring by the central administration has been for compliance regarding nutrition services to elderly clients. Nevertheless, a review of a sample of the Nutritionist's files found that the nutrition reviews are not conducted on a consistent basis. We found centers that have never been reviewed and others that have not been reviewed in the last six years. In the absence of these reviews, there is no assurance that the NAAA is detecting and addressing unsanitary and unsafe conditions at Senior Centers before the Office of Environmental Health (OEH) finds such deficiencies. Depending on the severity of the deficiencies, OEH can close Senior Centers and shut down services to elderly people.

In addition, agency offices are not consistently performing assessments of Senior Centers. Standard assessments are required to be conducted on an annual basis by agency offices per NAAA policies and procedures. According to agency staff, the standard assessment is usually a time-consuming task because of the 15-page form that is required. In some cases, the agency

staff acknowledged that it just sent the standard assessment form to the Senior Centers for them to complete themselves. One agency streamlined the lengthy form but the assessments were still done sporadically.

With the lack of consistent monitoring, the central administration and agency offices are unable to detect deficiencies with Senior Centers in a timely manner. Although there is a standard form available as a monitoring tool, the NAAA central administration is not making the assessments a priority. Rather than taking a proactive approach by conducting the assessments, the NAAA has just been reacting to deficiencies. This approach is not cost-efficient and the elderly people are inconvenienced because they have to seek services elsewhere if the center is closed by OEH.

Agency offices. Monitoring over the agency offices could also be strengthened. The NAAA director supervises the agency directors and directly oversees the agency operations. In our interviews with the central administration and agency staff, we did not detect a close working relationship between the two. Rather, each criticized the other. There was also an indication that the agency offices typically operate independently of each other. In other words, there is no consistency in how the agency offices administer their operations. For example, the agency offices budget the Senior Center personnel differently when the planning base amount required less than full-time hours. The agencies either combined centers or reduced the work hours for the staff. Further, only two of the five agencies developed a budget for each Senior Center within their respective agency. We also found that some agencies conducted Senior Center assessments but others did not. The lack of monitoring in agency operations presents opportunities for inefficiencies and contributes to poor working relationships between the central administration and agency staff.

External funding agencies. The funding agreements with external funding agencies typically include provisions for monitoring to ensure that the NAAA is complying with overall contract stipulations. Monitoring is achieved with assessments, on-site visits, independent audits and periodic reporting. Overall, the external funding agencies are doing a reasonable job in monitoring the NAAA programs. The funding agencies concurred that most of the assessments are current. If any deficiencies are noted, the NAAA is required to take corrective measures within a reasonable period of time.

There is also monitoring by other Navajo Nation departments such as the Office of Environmental Health and Occupational Safety and Health. Working in conjunction with these departments is the Indian Health Services Office of Environmental Health. These departments play a vital role in ensuring that the Senior Centers provide a safe environment for the elderly people while at the centers. It was noted that the Office of Environmental Health has had to close some Senior Centers in the past and it is upon the NAAA to address the deficiencies before the center can be re-opened.

Financial Activities. Monitoring of NAAA financial activities also needs to be improved. According to the NAAA policies and procedures, the Senior Centers, agencies and the central

administration are responsible for maintaining ledgers to show availability of funds, expenditures, and balances. Currently, there are two accountants at the central administration and one at each of the agency offices. At the Senior Centers, the supervisor performs the accounting tasks. The accounting staff works closely with the Office of the Controller to process and report on financial transactions.

The agency accountants and Senior Center supervisors maintain ledgers based on the budgets. The ledgers are used to monitor the budgets and control expenditures. One of the central administration accountant maintains ledgers while the other senior accountant relies more on the Navajo Nation financial management information system to monitor program funds. Maintaining ledgers allows for current information and thus better monitoring of agency financial activities. Further, the accounting workload for the central administration accountants also varies. The senior accountant represented that she spends about 50% of her time on accounting related tasks and 50% on administrative tasks assigned by the NAAA director. The other accountant represented she spends 100% of her time on accounting tasks. The same is basically true for the agency accountants.

The disparity in how financial activities are monitored needs to be addressed by the NAAA. Since there are similar accounting functions at the central administration and agency offices, there is potential duplication of duties. The monitoring process from the Senior Centers to the central administration needs to be evaluated to ensure there are no inefficiencies. There is also a question of whether two accountants are needed at the central administration. The new financial management information system needs to be kept in mind as the NAAA determines the most efficient way of monitoring financial activities. There are plans beginning fiscal year 2005 for the new system to expand to the agency level. As such, the agency offices will be capable of processing financial transactions from their locations. Considering this, two accountants at the central administration may be unnecessary. If one position is to be eliminated, the NAAA can realize personnel savings of at least \$39,000.

NAAA reporting needs to be streamlined.

On a monthly basis, NAAA requires the Senior Centers and agency offices to generate and submit various reports. The NAAA and DOH are suppose to use these reports to: (a) advocate for additional services, (b) project local aging-related trends, (c) ensure accountability, (d) justify reimbursements, (e) report current information and (f) assure compliance with contractual and grant guidelines. However, it's uncertain whether NAAA and DOH use these reports effectively. Currently, the Senior Centers and agency offices generate a total of 21 reports and forms. Of this, eight are required to be submitted to the external funding agencies. The remaining reports are those implemented by the NAAA over the years. Table 6 below summarizes these reports and the person responsible for preparing the reports.

Table 6
Summary of Senior Center Reports

Monthly Reports and Forms		Reports are Generated by:		
		Supervisor	Cook	Driver
The following reports are required by the External Funding Agencies				
1	Congregate Report (C1)	√		
2	Registration Card	√		
3	Nutrition Screening Score for Congregate/Home Delivery		√	√
4	Home Delivery Report (C2)	√		
5	Service Log for Home Delivery			√
6	Short Form Intake Document	√		
7	Social Service Report (Form 3B-Part A & B)	√		
8	Project Income Report		√	
The following reports are required by the NAAA Central Administration				
9	Monthly Gas and Oil Expenditure Report			√
10	Monthly food expenditure report		√	
11	Receiving report for food	√	√	
12	Inventory form/cost per meal report		√	
13	Narrative report	√		
14	Monthly activity calendar	√		
15	Daily staff sign-in sheet	√	√	√
16	Mileage log			√
17	Vehicle Inspection report			√
18	Temperature log		√	
19	Congregate tally sheet		√	
20	Home delivery tally sheet			√
21	Social service tally sheet	√		

Note: Individuals responsible were identified per NAAA policies and procedures and staff interviews.

Source: NAAA policies and records.

In our interviews with several Senior Center personnel, all expressed concerns about the number of forms and reports that need to be prepared and submitted each month to the central administration. The reports report on various Senior Center activities such as number of meals served, amount of social services provided, expenditures incurred, fundraising activities and so forth. The staff indicated that most of their time is spent on completing these forms and reports. A review of staff duties and responsibilities performed daily revealed that the supervisor, cook and driver spent approximately 77%, 30% and 20% of their time, respectively, on administrative tasks. These tasks were primarily for preparing the required reports and forms.

The NAAA central administration claims that all the forms and reports are necessary to monitor the Senior Centers. However, we found that the central administration and agency offices do not effectively use the forms and reports. The NAAA director acknowledged that she does not review all the reports that are submitted. Rather, the director focuses on the reports that need to be submitted to the external funding agencies. We also found inconsistencies in the types of

forms being used, the information that is being requested and the individuals who receive the reports at the central administration. These inconsistencies have resulted in lost documents and incomplete and inaccurate reports by the statistician.

We also found that certain forms are being required but not necessary. For example, NAAA central administration requires each Senior Center to prepare and submit a monthly gas and oil expenditure report, mileage log, and vehicle inspection report because the Navajo Nation Fleet Management Department supposedly requires these reports. However, the Fleet Management Department indicated that it only needs the beginning and ending mileage for tribal vehicles; the other reports are unnecessary.

There is also a question of whether all of the reports are needed on a monthly basis. The central administration may still be able to monitor activities based on quarterly or semi-annual reports. In doing so, the amount of administrative work by the Senior Center staff can be minimized and thus free up more time for other duties. The central administration needs to evaluate its current reporting requirements and determine which reports are actually needed, how often they are needed and by whom.

It is understandable that the reports required by the external funding agencies cannot be eliminated, but some of the reports required by the central administration can be eliminated or streamlined. It is also possible that the information the central administration is seeking may already be available on the reports for the external funding agencies. If this were the case, only these reports would be necessary. Whatever changes the NAAA makes with its reporting requirements, it will have an effect on the viability of the alternative personnel options discussed in Finding II. By condensing the reports and cutting the amount of paperwork, the administrative tasks for the cooks and drivers can be minimized and as such, the staff can work reduced hours.

NAAA financial system needs improvement.

Budget and contracts. The NAAA contract awards could not be reconciled to the NAAA approved budget. We reviewed Office of Management and Budget and Office of Contracts and Grants files to determine the number of NAAA contracts and award amounts. For fiscal year 2004, contract awards total approximately \$3.7 million. However, the NAAA approved budget reflected only about \$3.0 million in external funds. According to the budget and contract offices, some of the external funds in the NAAA budget are anticipated amounts because the external agency's funding cycle did not coincide with the Navajo Nation's funding cycle. In this case, the difference of \$700,000 means that the NAAA did not properly anticipate its external funding amounts. The variance makes it difficult to properly monitor program expenditures based on the budget.

One example we found was with the Nutrition Services Incentive Program. The NAAA anticipated \$73,200 for this program and budgeted the funds accordingly. However, the

contract award was only \$7,900. The financial management information system also reflects only this amount. The NAAA central administration indicated that it generally anticipates \$73,000 from this program every year. However, the prior year awards were only \$11,000 to \$33,000. Poor budget planning poses a risk that the NAAA may expend resources that do not exist.

In speaking with the agency and Senior Center staff, a concern was posed about the lack of communication with the central administration regarding budget changes. The staff claims that after the initial budgets are submitted, most subsequent changes are handled by the central administration. The changes are not often communicated to the agency and Senior Center staff. Consequently, the final budget does not reflect their initial expectations. There is also poor communication with regards to budget and contract modifications. The lack of communication makes it difficult for the agency offices and Senior Centers to effectively monitor expenditures if they are not kept informed of their approved budget. They are at risk of over and under expending its resources.

Expenditure approval process. The NAAA expenditure approval process is described in the NAAA financial management policies and procedures. The process requires review and approval at several levels starting with the Senior Centers, agency offices, the central administration and in certain cases, DOH. Thereafter, the documents are submitted to the Office of the Controller for processing.

The agency offices and Senior Centers indicated that the approval process is too lengthy due to all the signature requirements. They also claimed that the central administration takes too long to process documentation. According to the central administration, its review and approval is important to detect any errors before submitting to the Office of the Controller. Typically, returned items further delay the process. The central administration also provided conflicting information as to what actually needs review. The central administration indicated that external fund expenditures are to first be reviewed by the central administration and thereafter, approved by the NAAA director. However, our review of a sample of fiscal year 2003 disbursements wherein external funds were used revealed that most of the disbursements lacked central administration signatures.

In our review, we also determined that it takes about 30 days to process financial documents for the NAAA program. There were indications that some documents were returned by the Office of the Controller and the turnaround time by the NAAA central administration and agency offices was lengthy. This showed that both the central administration and agency offices are equally responsible for the delay in paying vendors. With late payments, the NAAA is at risk of damaging vendor relations, losing funds by not taking advantage of vendor discounts and ruining its credit standing. The NAAA needs to streamline its review and approval process keeping in mind the changes that will be imposed by the new financial management information system scheduled to be at the agency level beginning fiscal year 2005.

Recommendations

1. The NAAA should establish policies and procedures governing how the statistical data will be compiled and maintained. The policies and procedures should allow proper review of statistician's work and ensure timely and reliable reporting.
2. The NAAA statistician should provide adequate training to the Senior Centers to ensure the staff prepares reports properly.
3. The NAAA should establish appropriate monitoring tools to ensure programs are consistently and periodically monitored.
4. The NAAA should streamline its reporting requirements to require only those reports that are actually needed and used by the central administration. Unnecessary or redundant reports should be eliminated.
5. The NAAA accounting staff needs to reconcile its budget to the contract awards to ensure the budgetary information is accurate and reliable.
6. The NAAA expenditure approval process should be streamlined to ensure timely payments to vendors. The new financial management information system should be a part of this streamlining effort.

AUDITEE RESPONSE

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING I: NAAA Budget for Senior Centers Needs to be Based on Service Levels			
Service levels do not guide NAAA budget planning.	NAAA Department Manager III	01. Identify mandated services as required by the Older Americans Act to determine activities that require funding. Utilize this information to identify budgeting priorities and key indicators.	December 31, 2004
	Senior Management Analyst	02. Research comparable organizations (area agencies on aging) outside the Navajo Nation to determine funding allocation processes and review funding formulas to strengthen budget planning process.	December 31, 2004
	Senior Accountant	03. Analyze census and NAAA data to establish prior year service changes in Navajo elderly population and service provision. Utilize this information to formulate forecasts in future population of Navajo elders and service demands (increases/decreases).	December 31, 2004
	Statistical Technician	04. Evaluate the impact of these changes on current NAAA services, with relation to the following: A. Impact on quality of service. B. Impact on cost of services.	March 31, 2005
	Program Supervisors	05. Coordinate with the Office of Management and Budget to evaluate the budgetary effects of population and service changes.	March 31, 2005
		06. Develop budgeting baselines to fund key services and support costs (food, operating supplies, janitorial supplies, vehicle lease rate, vehicle mileage rate, utility costs, and waste management costs) for current senior centers.	May 31, 2005
	NDOH Executive Director	07. Coordinate with the Office of Management and Budget to formulate key performance measures based on actual service levels.	May 31, 2005

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING I: NAAA Budget for Senior Centers Needs to be Based on Service Levels			
Indication that external funding for the NAAA will decrease.	NAAA Department Manager III	01. Identify and summarize all external funds received by the NAAA, and develop allocation trends of these funds for the previous five (05) years to determine increases and decreases.	November 31, 2004
	Senior Management Analyst	02. Determine causes for funding fluctuations for each external funding source.	December 31, 2004
	Senior Accountant	03. Determine service units that are provided utilizing external funds (home delivered meals, congregate meals, transportation, and social supportive services) for the previous five (05) fiscal years and develop projected service provision with projected funding allocations for the next five (05) years.	January 31, 2005
	Program Supervisors	04. Assess expenditure rates for previous five (05) years for each external funding source to develop enhanced expenditure plans for funds. Utilize this information to enhance quality assurance mechanisms to expend allocated funds.	January 31, 2005
	Contract Accounting Section	05. Incorporate funds expenditure plans in immediate programmatic and long-term (strategic) planning to prevent funds reversion and carry-forwards.	February 27, 2005
	Statistical Technician	06. Develop alternative financing plans, include seeking additional funds to support, as well as expand services from other funding sources:	June 30, 2005
	Program Supervisors	a. Submitting Grants b. Third Party Collection c. Cost Share with other programs	

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING I: NAAA Budget for Senior Centers Needs to be Based on Service Levels			
Budgetary effects of opening new Senior Centers needs to be analyzed.	NAAA Department Manager III	01. Develop program plan to support each Senior Center currently in operation. Utilize this information to establish probable operating costs for newly constructed and proposed Senior Center sites.	November 31, 2004
	Senior Management Analyst	02. Develop agreement with NN Design & Engineering and Capital Improvement Office to complete the planning and implementation of:	December 31, 2004
	Senior Accountant	A. Senior Centers that are fully constructed, but waiting to open for operation.	
	NDOH Planning Section	B. Senior Centers under construction and anticipated completion dates.	
		C. Projected proposals for new Senior Center facilities included in the Capital Improvement Program plan.	
		D. Feasibility study with the Capital Improvement Office, the Navajo Nation Council's Transportation and Community Development Committee and Budget and Finance Committee to determine feasibility of new Senior Center construction projects and associated support costs.	March 31, 2005
		E. Coordination with the NN Design & Engineering and Capital Improvement Office department to discern appropriate planning for short-term and long-term planning for Senior Center construction activities.	
		03. Develop a policy and procedures format to construct new Senior Citizen Centers and/or renovate existing centers that includes priority for operational funding.	

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING II: Personnel Options for Senior Centers Can Result in Savings			
Opportunities for savings exist with the Senior Center personnel	NAAA Department Manager III	01. For the FY' 2005 budget, the NAAA has already developed and implemented the reduced hours for those identified Senior Centers.	October, 2004
	Senior Management Analyst	02. Develop mapping activities to target communities in close proximity to one another for a central "Senior Center" and distribute services to local areas. This activity will not involve closing any senior centers.	December 31, 2004
	NDOH Human Resources Analyst	03. Assess, review and update: a. Staffing pattern at all sites b. Supervisor's roles and responsibilities c. Reporting requirements	February 28, 2005
	Program Supervisors		
	Statistical Technician		
	NDOH MIS Section		

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING III: NAAA Services Reach a Small Percentage of the Navajo Elder Population			
Outreach of NAAA services is small.	NAAA Department Manager III	01. Review data of Navajo elders eligible for services utilizing the following data information to develop sound Navajo elderly population data for potential new clients: A. Current US Census Data. B. Economic Development resources. C. NAAA registered client data.	December 31, 2004
	Statistical Technician	02. Establish process to collect and incorporate consumer input in the planning of NAAA programs and services.	February 28, 2005
	Senior Management Analyst	03. Develop marketing materials and public outreach activities to support NAAA programs and services.	April 31, 2005
	Program Supervisors	04. Develop and implement staff development training and retention plan to enhance and improve staff competency in their job performance.	June, 2005
	Senior Center Staff		
	Advisory Councils on Aging		

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING III: NAAA Services Reach a Small Percentage of the Navajo Elder Population Social and recreational activities for Navajo elderly are limited.	NAAA Department Manager III Senior Management Analyst Program Supervisors Senior Center Supervisors Advisory Councils on Aging	01. Conduct assessment to identify needs for social and recreational activities at local Senior Centers. 02. Develop plans to provide such services to the elders. 03. Establish partnerships with local health, social, and recreational agencies to provide and create activities for elders. 04. Implement customer service survey to abstract satisfaction/dissatisfaction with services and determine activities that reflect their interest in recreational needs.	December 31, 2004 March 31, 2005 June 30, 2005 June 30, 2005

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING IV: NAAA SERVICES DUPLICATE DSS SERVICES			
Similar programs exist within NAAA and DSS	NAAA Department Manager III	01. NAAA has determined that the continued existence of the Adult In-Home Care Program is not necessary, and has abolished this program effective September 30, 2004.	September 30, 2004
	DEPP Administrative Services Officer	02. Strengthen working relationships with Division of Social Services through Memorandum of Understanding/Memorandum of Agreement to ensure necessary support services to keep elders in own home and delay institutional placement and address case management activities.	December 31, 2004
	Senior Management Analyst	03. Continue task force to implement the revision of the Dine Elder Protection Act and conduct feasibility study to determine placement of protection activities either with Navajo Area Agency on Aging or the Division of Social Services.	March 31, 2005
	Senior Caseworkers		

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING IV: NAAA SERVICES DUPLICATE DSS SERVICES			
DSS is the ideal division to administer AIHC and DEPP programs.	NAAA Department Manager III	01. Assess workload of Division of Social Service staff who handle in-home care services and elder protection services to discern capability to absorb additional services.	December 31, 2004
	DEPP Administrative Services Officer	02. Coordinate with the Division of Social Services to discern the feasibility of transferring all elder protection services and activities.	March, 2005
	Senior Management Analyst	03. Amend current Dine' Elder Protection Laws to coincide with administrative decisions regarding final placement of responsibilities for the provision of protective services for elders.	September, 2005
	Senior Caseworkers		
	NDOH Human Resources Analyst		

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

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Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING V: NAAA Administrative Operations Need Improvement			
NAAA statistical data needs to be reliable.	NAAA Department Manager III	01. The NAAA will update & simplify policies and procedures regarding the compilation of statistical reports for home delivered meals, congregate meals, and social supportive service at each Senior Center to assure understanding of the methods involved in providing documentation of services and preparation of required reporting mechanisms.	October 31, 2004
	Senior Management Analyst	02. Implement process for all Program Supervisor II's to ensure that reports are accurate and submitted in a timely manner.	October 31, 2004 (Monthly)
	Statistical Technician	03. The Department Manager III with review completed assignments of the Statistical Technician prior to submitting report to funding sources.	September 30, 2005 (Monthly)
	Program Supervisor II's	04. Statistical Technician will train all relevant staff to complete all required reporting formats.	September, 30, 2005 (Monthly)
	Senior Center Supervisors		

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

Page 10 of 11

Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING V: NAAA Administrative Operations Need Improvement			
NAAA monitoring needs to be strengthened	NAAA Department Manager III	01. Strengthen monitoring evaluation activities:	November, 2005
	Senior Management Analyst	a. Establishing new and/or update existing policies and procedures.	
	Senior Accountant	b. Update monitoring and evaluation tools and instruments.	
	Program Supervisors	c. Conduct training to Senior Centers and Program Supervisors.	
		d. Streamlining central administration review for efficiency and monitoring & processing of all financial documents.	
		02. Department Manager III will develop monitoring and assessment schedule for NAAA Agency Offices to assure consistency in operations across all agency offices.	November, 2005

PERFORMANCE AUDIT OF THE NAVAJO AREA AGENCY ON AGING

AUDIT REPORT NO. 04-06

CORRECTIVE ACTION PLAN

Page 11 of 11

Findings & Sub-Findings	Individuals Responsible	Corrective Actions to be Implemented	Timeline to Complete
FINDING V: NAAA Administrative Operations Need Improvement			
NAAA reporting needs to be streamlined.	NAAA Statistical Tech. Program Supervisors Senior Management Analyst Senior Center Supervisors	01. To review reporting requirements to streamline number of required reports. 02. To develop necessary reporting mechanisms (C1, C2, Social Services, etc.) via computers to streamline administrative time spent on reporting by senior centers. 03. To purchase computers for all senior centers to aid staff in generating reports to NAAA Agency/Central offices. 04. Senior Centers Supervisors to be more responsible for all required reporting.	December, 2004 September, 2005 September, 2005
NAAA financial system needs improvement.	Senior Management Analyst Senior Accountant	01. Update NAAA Financial Management Policies and Procedures to reflect new FMIS protocols for fund management for each NAAA programs. 02. To facilitate better communication regarding budgeting, expenditures, reconciliation, ledger management more efficient fiscal management budget review meeting with Agency staff and senior center staff to be held monthly. 03. Provide information or status report about budget, funding and contractual agreement to staff at all levels on a regular basis. 04. Department Manager III will review Senior Accountant's assignments periodically.	January, 2005 January, 2005 On-Going On-Going

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

REC**EXHIBIT**2

21ST NAVAJO NATION COUNCIL – SECOND YEAR, 2008

AN ACTION

**OFFICE OF THE
AUDITOR GENERAL**

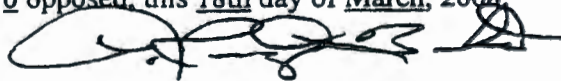
Relating to Health and Finance; Accepting a Follow-up Review of the Navajo Area on Aging and Imposing Sanctions on the Department Manager, Navajo Area Agency on Aging for Failure to Implement the Navajo Area Aging Corrective Action Plan.

BE IT ENACTED:

1. The Navajo Nation hereby accepts the Office of the Auditor General, Audit Report No. 08-02, A Follow-up Review of the Navajo Area Agency on Aging Corrective Action Plan Implementation, attached hereto as Exhibit A.
2. The Navajo Nation hereby imposes sanctions on the Department Manager, Navajo Area Agency on Aging for the failure to implement the Navajo Area Agency on Aging corrective action plan.
3. The Navajo Nation directs the Office of the Controller to withhold 20% of the salary of the Department Manager, Navajo Area Agency on Aging, until such time as the Navajo Area Agency on Aging demonstrates to the Office of the Auditor General that the Navajo Area Agency on Aging has fully implemented its corrective action plan.
4. The Navajo Nation directs the Office of the Auditor General to notify the Office of the Controller, in writing, at such time as the Navajo Area Agency on Aging demonstrates to the Office of the Auditor General that the Navajo Area Agency on Aging has fully implemented its corrective action plan.
5. The Navajo Nation directs the Office of the Controller, upon receipt of written notification from the Office of the Auditor General that the Navajo Area Agency on Aging has fully implemented its corrective action plan, to release all withhold funds to the Navajo Area Agency on Aging.

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 at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 6 in favor, 0 opposed, this 18th day of March, 2008.



LoRenzo C. Bates, Chairperson
Budget and Finance Committee

Motion: Ralph Bennett, Jr.
Second: Nelson Begaye

**Follow Up Review
of the
Navajo Area Agency on Aging
Corrective Action Plan Implementation**

Audit Report No. 08-02

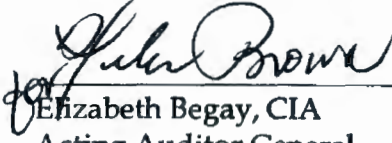
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Office of the Auditor General
The Navajo Nation

ELIZABETH O. BEGAY
Acting Auditor General

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

TO : Laverne Wyaco, Director
NAVAJO AREA AGENCY ON AGING

FROM : 
Elizabeth Begay, CIA
Acting Auditor General
OFFICE OF THE AUDITOR GENERAL

DATE : December 26, 2007

SUBJECT : A Follow-up Review of the Navajo Area Agency on Aging
Corrective Action Plan Implementation

The Office of the Auditor General herewith transmits Audit Report No. 08-02, a Follow up Review of the Navajo Area Agency on Aging Corrective Action Plan Implementation with status of corrective measures for your consideration.

If you have any questions regarding this report, please call our office at (928) 871-6303.

Enclosure

xc: Anselm Roanhorse, Executive Director
DIVISION OF HEALTH
Chrono

**Follow Up Review
of the
Navajo Area Agency on Aging
Corrective Action Plan Implementation**

**Review Performed by:
Karen Briscoe**

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SUMMARY

The Office of the Auditor General conducted a follow up review of the Navajo Area Agency on Aging (NAAA) corrective action plan (CAP) implementation regarding audit report no. 04-06. The Budget and Finance Committee approved the corrective action plan on June 21, 2005 by resolution no. BFJN-36-05. This review was conducted in accordance with 12 N.N.C. Section 7 to determine if NAAA has implemented the corrective actions to resolve the audit findings.

Our CAP follow up review found:

Finding I

- 8 of 10 corrective measures for Finding I have been implemented, and
- 2 of 10 corrective measures for Finding I have not been implemented.

Finding II

- 2 of 2 corrective measures for Finding II have not been implemented.

Finding III

- 7 of 8 corrective measures for Finding III have been implemented, and
- 1 of 8 corrective measures for Finding III have not been implemented.

Finding IV

- 6 of 6 corrective measures for Finding IV are not applicable.

Finding V

- 1 of 10 corrective measures for Finding V have been implemented, and
- 9 of 10 corrective measures for Finding V have not been implemented.

Overall, 14 of 30 (or 47%) corrective measures from the Navajo Area Agency on Aging corrective action plan approved by the Budget and Finance Committee have not been implemented. In addition, 6 corrective measures for Finding IV are no longer applicable due to implementation of alternative corrective actions. The Adult In-Home Care program was abolished at the end of fiscal year 2004 and the Dine Elder Protection program was transferred to the Division of Social Services in fiscal year 2007 in accordance with a condition of appropriation.

Title 12 N.N.C. Section 8 imposes upon NAAA the duty to implement the corrective action plan according to the terms of the plan. The follow-up review shows NAAA failed to fully implement its corrective action plan. Therefore, in accordance with the provisions of 12 N.N.C. Section 9 (C), the Office of the Auditor General recommends to impose sanctions on the NAAA Department Manager for failure to implement the corrective action plan.

INTRODUCTION AND BACKGROUND

The Office of the Auditor General conducted a follow up review of the Navajo Area Agency on Aging (NAAA) corrective action plan (CAP) implementation regarding audit report no. 04-06. The Budget and Finance Committee approved the corrective action plan on June 21, 2005 by resolution no. BFJN-36-05. This review was conducted in accordance with 12 N.N.C. Section 7 to determine if NAAA has implemented the corrective actions to resolve the audit findings.

The NAAA is established under the Division of Health and its purpose is to provide meals, transportation, health, personal, social, recreational and referral support and services to eligible Navajo elders. The department manages three programs:

1. Senior Center Program
2. Foster Grandparent Program
3. Elderly Home Care Program

There are currently 91 Senior Citizen Centers operating across the Navajo Nation within the five agencies. The Adult In Home Care Program was eliminated from the department at the end of FY 2004. The Dine Elder Protection Program was transferred to the Division of Social Services in July 2007.

Objectives, Scope and Methodology

In accordance with 12 N.N.C Section 7, the following objectives were established for the follow up review:

- To determine the status of the NAAA corrective action plan.
- To identify the barriers that hindered implementation efforts, if any.

The follow-up review specifically focused on the corrective action plan. However, if other significant issues were noted during the review, such issues were further evaluated for materiality and risk to determine whether the issues warranted presentation in this report. Any issues of materiality and risk could have an adverse effect on program operations and hinder the achievement of program goals and objectives.

In meeting our objectives, we reviewed department records for FY 2007. All records pertaining to the CAP implementation as provided by NAAA were reviewed. We also interviewed department and agency staff and performed site visits of a sample of senior centers. All samples were selected using non-statistical judgmental sampling methods.

The Auditor General and staff express appreciation to the Navajo Area Agency on Aging department for their cooperation and assistance throughout this review.

NAVAJO AREA AGENCY ON AGING **Follow-up to the CAP Implementation**

Finding I: NAAA Budget for Senior Centers Need to be Based on Service Levels.

Corrective Action	Status of corrective action	Explanation for corrective action(s) not fully implemented
<i>Service levels do not guide NAAA budget planning.</i>		
1. Identify mandated services as required by the Older Americans Act to determine activities that require funding and budgeting priorities.	Implemented	
2. Research comparable organizations outside the Navajo Nation to determine funding allocation processes and strengthen budget planning process.	Implemented	
3. Analyze census and NAAA data to establish prior year service changes in Navajo elderly population and formulate forecasts in future population of Navajo elders and service demands.	Implemented	
4. Evaluate the impact of population changes on current NAAA services in relation to quality and cost of services.	Implemented	
5. Develop budget to fund key services and support costs for senior centers and formulate performance measures based on actual service levels.	Not Implemented	Although the NAAA gathers statistical data of senior center services, there was no evidence such data was properly analyzed. Consequently, the FY 2007 budget for the senior center program was not reasonably distributed by service levels. Our analysis found three agencies were under-funded while two were over-funded based on their anticipated service levels for FY 2007. The NAAA director did not rely on the statistical data to develop the performance measures regarding senior center services.

Indication that external funding for NAAA will decrease.		
6. Identify and summarize all external funds received by NAAA and develop allocation trends of these funds for the previous five years to determine increases and decreases.	Implemented	
7. Determine service units that are utilizing external funds for the previous five years and develop projected service provisions with projected funding allocations for the next five years.	Implemented	
8. Develop alternative financing plans, including seeking additional funds to support as well as expand services from other funding sources.	Implemented	
Budgetary effects of opening new senior centers needs to be analyzed.		
9. Based on cost information of current senior centers, establish probable operating costs for new or proposed senior center sites. Develop an agreement with the Design & Engineering Services (DES) Department and Capital Improvement Office (CIO) to plan senior center construction and associated support costs.	Not Implemented	NAAA did not conduct a comprehensive impact analysis of opening additional senior centers beyond the current 91 centers. Currently, there are 19 Navajo Nation chapters without their own senior center facility. Although NAAA determined that it would cost approximately \$2 million to operate the 19 additional centers annually, it did not work with DES and CIO to ensure chapters properly plan for the costs of both constructing and operating a senior center. Rather, the NAAA Department Manager just issued an in-house moratorium on opening new centers without proper approval of the Division of Health Executive Director or the oversight committee.
10. Develop policy and procedures to construct new senior citizen centers and/or renovate existing centers that includes priority for operational funding.	Implemented	

For Finding I, NAAA did not fully implement 2 of the 10 (or 20%) corrective actions stated in the CAP. Therefore, the audit finding was not fully resolved. In the audit, we found variations in service levels at the 91 senior centers but the budgets did not reflect such differences. Budget planning based on service levels will help ensure that each senior center is receiving funding that adequately supports their respective level of services. Otherwise, NAAA risks over-funding or under-funding the senior centers.

Finding II: Personnel Options for Senior Centers Can Result in Savings.

Corrective Action	Status of corrective action	Explanation for corrective action(s) not fully implemented
<i>Opportunities for savings exist with the Senior Center personnel.</i>		
1. Implement reduced hours for small centers.	Not Implemented	The department obtained external funding to supplement the personnel costs so staff can stay at full time regardless of service levels. NAAA did not evaluate the disparity in actual service levels between large, medium and small centers to justify the staff work hours. NAAA did not resolve the issue that small centers operate with three staff similar to larger centers which contributed to an inequitable use of resources.
2. Develop mapping activities to target communities in close proximity to one another for a central senior center and assess, review, and update staffing patterns at all sites.	Not Implemented	Although NAAA performed mapping activities to identify senior centers in close proximity of one another, the results of these activities were not relied upon to determine alternatives for senior center staffing. Further, an assessment of the staffing pattern in relation to service levels was not done. NAAA did not evaluate a more equitable distribution of staff at the centers to operate the senior centers without requesting for supplemental appropriations. In FY 2007, the department was given a \$1 million supplemental appropriation for personnel expenses to maintain the senior center staff at full time without regard to service levels.

For Finding II, NAAA did not fully implement the two corrective actions stated in the CAP. Therefore, the audit finding was not fully resolved. More important, the department has yet to identify effective alternatives of how to meet personnel costs without the need for supplemental funding. The NAAA efforts made to date has not yielded any cost-saving results.

Finding III: NAAA Services Reach a Small Percentage of the Navajo Elder Population.

Corrective Action	Status of corrective action	Explanation for corrective action(s) not fully implemented
<i>Outreach of NAAA services is small.</i>		
1. Formulate forecasts of future population of Navajo elders and service demands.	Implemented	
2. Develop marketing materials and public outreach activities to support NAAA programs and services.	Implemented	
3. Develop and implement staff development training and retention plan to enhance and improve staff performance.	Implemented	
<i>Social and recreational activities for Navajo elderly are limited.</i>		
4. Conduct assessment to identify needs for social and recreational activities at local senior centers.	Implemented	
5. Establish process to collect and incorporate client input into the planning of NAAA programs and services.	Implemented	
6. Develop plans to provide such services to the elders.	Implemented	
7. Establish partnership with local health, social, and recreational agencies to provide and create activities for elders.	Implemented	
8. Implement customer service survey to abstract satisfaction/dissatisfaction with services and determine activities that reflect their interest in recreational needs.	Not Implemented	NAAA is not conducting customer satisfaction surveys to gauge whether senior centers are meeting the needs/interests of the Navajo elders. In the absence of feedback, NAAA cannot make beneficial improvements.

For Finding III, NAAA did not fully implement 1 of the 8 (or 13%) corrective actions stated in the CAP. However, the lack of implementation of one corrective action does not pose a significant risk to program services. Therefore, the finding was deemed to be reasonably resolved. Nonetheless, NAAA needs to conduct periodic customer satisfaction surveys to obtain feedback on whether it is addressing the needs of the Navajo elders.

Finding IV: NAAA Services Duplicate DSS Services.

Corrective Action	Status of corrective action	Explanation for corrective action(s) not fully implemented
<i>Similar programs exists within NAAA and DSS.</i>		
1. NAAA determined that the continued existence of the Adult In Home Care Program is not necessary since the Division of Social Services (DSS) has the same program and has abolished this program.	Not Applicable	
2. Strengthen working relationships with DSS through a MOU to ensure necessary support services to keep elders in their homes and address case management activities.	Not Applicable	
3. Conduct feasibility study to determine placement of Dine Elder Protection (DEP) program activities, either with NAAA or DSS.	Not Applicable	
4. Assess workload of DSS staff who handles in home care services and elder protection services to discern their capability to absorb additional services.	Not Applicable	
5. Coordinate with DSS to transfer all elder protection services and activities.	Not Applicable	
6. Continue task force to amend the Dine Elder Protection Act to coincide with administrative decisions regarding final placement of responsibilities for the provision of protection services for elders.	Not Applicable	

For Finding IV, the audit finding regarding the issue of duplication of services has been addressed by abolishing the programs in question. The Adult In-Home Care program was abolished at the end of fiscal year 2004 and DEP program was transferred to DSS in fiscal year 2007 in accordance with a condition of appropriation. Considering this, the finding is deemed resolved.

Finding V: NAAA Administrative Operations Need Improvement.

Corrective Action	Status of corrective action	Explanation for corrective action(s) not fully implemented
<i>NAAA statistical data needs to be reliable.</i>		
1. NAAA will update and simplify policies and procedures regarding the compilation of statistical reports for home delivered/congregate meals and social supportive services at each senior center to assure understanding of the methods involved in providing documentation of services and preparation of required reporting mechanisms. In addition, NAAA will train staff on reporting requirements.	Implemented	
2. Implement process to ensure that reports are accurate and submitted in a timely manner.	Not Implemented	Although NAAA developed procedures for compiling statistical reports, these procedures were not properly implemented as indicated by the sample of reports reviewed. These reports showed unreliable statistical data and incomplete reporting. Unreliable data affects NAAA's funding since state allocations are based on service levels (i.e. number of meals served). Further, NAAA is not consistently submitting required reports to the funding agencies as part of the cost-reimbursement contracts. In the absence of these reports, NAAA has not been reimbursed for some meals served in fiscal years 2006 and 2007.
3. The Department Manager will review completed assignments of Statistical Technician prior to submitting report to funding sources.	Not Implemented	There is no evidence the Department Manager is reviewing the accuracy of the statistical data reported to the funding agencies. Also, the Department Manager does not monitor the submission of reports to the funding agencies to ensure they are complete and timely.

<i>NAAA monitoring needs to be strengthened.</i>		
4. Strengthen monitoring evaluation activities. The Department Manager will develop a monitoring and assessment schedule for NAAA to assure consistency in operations across all agency offices.	Not Implemented	The Department Manager does not monitor the agency offices and senior centers to ensure their operations remain consistent. The lack of monitoring contributed to lost of approximately \$300,000 in nutrition education funding for New Mexico senior centers and Chinle agency senior centers in FY 2007 and FY 2008.
<i>NAAA reporting needs to be streamlined.</i>		
5. Review reporting requirements to streamline the number of required reports.	Not Implemented	Senior center reporting has not been streamlined. Currently, more reports are required due to additional external funding obtained by the department. NAAA did not adequately evaluate its reporting system to identify any unnecessary or redundant reports that could be eliminated. Also, our site visits found the forms utilized by the senior centers are inconsistent, which affects the timely compilation of the reports and reliability of the data.
6. Purchase computers for all senior centers and develop necessary reporting mechanisms via computers to streamline administrative time spent on reporting by senior centers.	Not Implemented	Although most centers have computers, some equipment was old and others inoperable. Further, the computers were not being fully utilized because staffs have little or no computer skills. NAAA has not provided training to make improvements in this area. Also, with the exception of one agency, the forms are not provided to the senior center staff in electronic format which would foster consistent and timely reporting from the centers. Many of the centers visited shared hand-written and typed reports.
7. Senior Center Supervisors are to be more responsible for all required reporting.	Not Implemented	The cook and driver are responsible for preparing reports that ideally should be prepared by the center supervisor. These reporting tasks can impede on the primary duty and responsibilities of the cook and driver. NAAA has not made improvements in this area.

<i>NAAA financial system needs improvement.</i>		
8. Update NAAA financial management policies and procedures to reflect the new Financial Management Information System (FMIS) protocol for funds management for each NAAA programs.	Not Implemented	NAAA has not completed drafting its financial management policies to reflect the FMIS system that the department relies on to monitor and reconcile its records.
9. Facilitate better communication regarding budgeting, expenditures, reconciliation, and ledger management, to all staff at all levels on a regular basis for more efficient fiscal management.	Not Implemented	Based on interviews, agency offices and senior centers are not obtaining adequate information and technical assistance from NAAA's central accounting section. Regular meetings between agency and central office accountants for updates on external funding and technical assistance are not conducted. Such meetings can ensure agency accountants are maintaining adequate accounting records, reconciling records, and providing timely financial reports to management and applicable funding sources. Since NAAA does not facilitate regular communication, it has yet to establish a more efficient fiscal management system.
10. Department Manager III will review senior accountant's assignments periodically.	Not Implemented	The Department Manager did not ensure the Senior Accountant: <ol style="list-style-type: none"> 1. Monitored the external fund activities, especially the reimbursements. 2. Maintained adequate accounting records of the external funds 3. Met periodically with the agency accounting staff to reconcile central office records to agency records to ensure accurate financial reports.

For Finding V, NAAA did not fully implement 9 of the 10 (or 90%) of the corrective actions stated in the CAP. Consequently, the finding has not been resolved but more important, the NAAA administrative operations still need improvement. Statistical data that is key to external funding for NAAA continues to be unreliable and senior center reporting remains cumbersome and time-consuming. The lack of effective monitoring by the Department Manager contributes significantly to these deficiencies.

CONCLUSION

Overall, 14 of 30 (or 47%) corrective measures from the Navajo Area Agency on Aging corrective action plan approved by the Budget and Finance Committee have not been implemented. In addition, 6 corrective measures for Finding IV are no longer applicable due to implementation of alternative corrective actions. The Adult In-Home Care program was abolished at the end of fiscal year 2004 and DEP was transferred to DSS in fiscal year 2007 in accordance with a condition of appropriation.

Title 12 N.N.C. Section 8 imposes upon NAAA the duty to implement the corrective action plan according to the terms of the plan. The follow-up review shows NAAA failed to fully implement its corrective action plan. Therefore, in accordance with the provisions of 12 N.N.C. Section 9 (C), the Office of the Auditor General recommends to impose sanctions on the NAAA Department Manager for failure to implement the corrective action plan.

The Office of the Auditor General did not recommend sanctions be imposed on NAAA as a program because improvements were recognized in several areas of the program. However, these improvements were not systematic especially among the five agencies that oversee the 91 senior centers. Some agencies made important strides to improve operations but similar initiatives were not found in other agencies. It would be unfair to penalize an agency/staff, who is performing well, for the shortcomings of others.

As the program leader, the NAAA Department Manager failed to recognize these inconsistencies and find solutions to bridge the gaps in performance. This is contrary to the NAAA plan of operation which states that the Department Manager's responsibilities and authority are:

- 1) Formulate, define, clarify, and interpret the policies, goals/objectives and activities of NAAA program.
- 2) Develop, plan, organize, coordinate and deliver geriatric services and other support activities to decrease problems among the Navajo elderly population.
- 3) Assist in maintaining the accountability in the effective flow of contracts and grants awarded to NAAA including preparation and monitoring of all contract documents, effective utilization of logistics, finance and personnel.
- 4) Assist in preparing, processing and monitoring contracts and sub-contracts relative to funding guidelines and established financial procedures.
- 5) Provide needed and ongoing support and direction for Senior Citizen Center.

NAVAJO NATION

RCS# 1119

11/29/2018

Naa'bik'iyati Committee

01:58:53 PM

Amd# to Amd#

Legislation No. 0309-18

PASSED

MOT Kieyoomia

Rescinding BFMA-08-08 imposing

SEC Bennett

sanctions upon the department
manager of NAAA, releasing salary

Yea : 13

Nay : 0

Excused : 0

Not Voting : 11

Yea : 13

Begay, K
BeGaye, N
Bennett
Crotty

Hale
Jack
Kieyoomia

Perry
Pete
Shepherd

Slim
Yazzie
Yellowhair

Nay : 0

Excused : 0

Not Voting : 11

Bates
Begay, NM
Brown

Chee
Damon
Daniels

Filfred
Phelps
Smith

Tso
Tsosie