

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

23<sup>RD</sup> NAVAJO NATION COUNCIL - Third Year, 2017

AN ACTION

RELATING TO THE HEALTH, EDUCATION, AND HUMAN SERVICES AND THE  
BUDGET AND FINANCE COMMITTEES; AMENDING BFO-27-14 TO EXTEND  
THE TIME PERIOD TO IMPLEMENT THE CORRECTIVE ACTION PLAN  
SUBMITTED BY THE DEPARTMENT OF PERSONNEL MANAGEMENT

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Health, Education and Human Services Committee (HEHSC) is a standing committee of the Navajo Nation Council with oversight of the Division of Human Resources. 2 N.N.C. §§ 400(A) and 401(C)(1). The Department of Personnel Management is a department in the Division of Human Resources. As the oversight committee of the Division of Human Resources, HEHSC is to receive audit reports and corrective action plans. 12 N.N.C. § 7(E).
- B. The Budget and Finance Committee (BFC) is a standing committee of the Navajo Nation Council. 2 N.N.C. § 300(A). The BFC is charged with receiving and approving chapter audit reports from the Auditor General. 12 N.N.C. § 6(A) and 12 N.N.C. § 7(D).
- C. The Auditor General Plan of Operation provides, "the Auditor General will conduct a follow-up review to document the status of the implementation [of the corrective action plan]." 12 N.N.C. § 7(G). This follow-up review is to occur "12 months after the release of the audit report." 12 N.N.C. § 7(G).

SECTION TWO. FINDINGS

- A. The BFC approved Resolution BFO-27-14 on October 9, 2014, accepting Audit Report 14-10, "A Performance Audit of the Department of Personnel Management" and approving the

Corrective Action Plan (CAP) submitted by the Department of Personnel Management. See BFO-27-14, attached as **Exhibit B**.

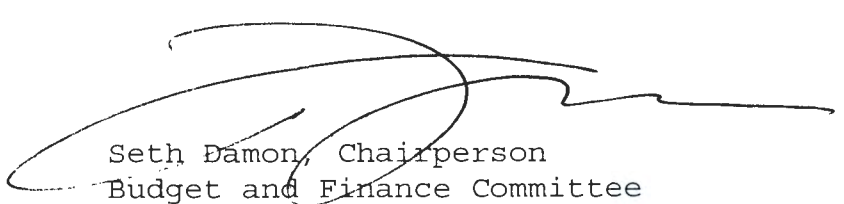
- B. The Auditor General conducted a follow-up review of the Department of Personnel Management's implementation of its CAP. The Follow-Up Report, Audit Report 17-49, dated July 28, 2017, is attached as **Exhibit A**.
- C. The Follow-Up Report concluded that Department of Personnel Management implemented 16 out of 28 of its corrective measures. Additional details are included in **Exhibit A**.
- D. The Auditor General submitted a memorandum dated August 7, 2017, which is attached as **Exhibit C**, requesting the time frame to implement the CAP be extended until June 28, 2018 in order to provide the newly hired director the time period allowed by 12 N.N.C. § 7(G) to implement the corrective action plan.
- E. Extending the CAP is required in order to comport with procedural due process protections.

### **SECTION THREE. ACCEPTANCE AND APPROVAL**

- A. The Navajo Nation amends BFO-27-14 by extending the time period for the Department of Personnel Management to implement the CAP until June 28, 2018.
- B. The Navajo Nation hereby directs the Office of the Auditor General to conduct a follow-up review after June 28, 2018 to determine if the Department of Personnel Management has implemented its CAP, to issue a written follow-up report indicating the Department's progress in implementing the CAP, and to make recommendations to the Health, Education, and Human Services Committee, as well as the Budget and Finance Committee.
- C. The Navajo Nation hereby authorizes the Auditor General to implement recommended sanction if Department of Personnel Management does not meet the requirements of the Corrective Action Plan; the Department of Personnel Management shall pay the Office of the Auditor General for the cost of the follow-up review.

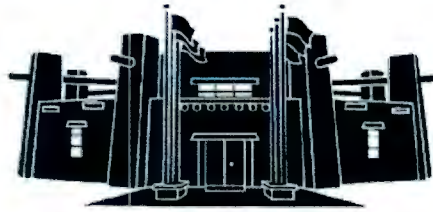
**CERTIFICATION**

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 and 0 opposed, this 5<sup>th</sup> day of December, 2017.



Seth Damon, Chairperson  
Budget and Finance Committee

Motion: Honorable Lee Jack, Sr.  
Second: Honorable Tuchoney Slim, Jr.



## OFFICE OF THE AUDITOR GENERAL

**The Navajo Nation**

**A Follow-up Review  
of the  
Department of Personnel Management**

**Report No. 17-49  
July 2017**

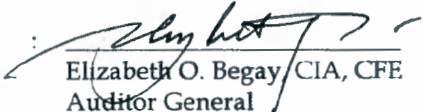
Performed by:  
Alfreda Lee, Senior Auditor





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

TO : Sharon Begay-McCabe, Human Resources Director  
DEPARTMENT OF PERSONNEL MANAGEMENT

FROM :   
Elizabeth O. Begay, CIA, CFE  
Auditor General  
OFFICE OF THE AUDITOR GENERAL

DATE : July 28, 2017

SUBJECT : A Follow-up Review of the Department of Personnel Management Corrective  
Action Implementation

The Office of the Auditor General herewith transmits Audit Report no. 17-49, A Follow-up Review of the Department of Personnel Management Corrective Action Implementation. The follow-up was conducted to determine the status of the corrective action plan, which was developed by the Department of Personnel Management in response to the 2014 Department of Personnel Management Performance Audit. The 2014 report and the corrective action plan were approved by the Budget and Finance Committee on October 9, 2014 per resolution BFO-27-14.

### Follow-Up Results

The corrective action plan listed 28 corrective measures to address the issues with the Department of Personnel Management. Of the 28 corrective measures, the Department of Personnel Management implemented 16 (or 57%) corrective measures, leaving 12 (or 43%) not implemented. The follow-up results are summarized in the body of the report.

### Conclusion

The Department of Personnel Management did not implement the corrective action plan. Consequently, the issues with the Department of Personnel Management reported in the 2014 report remain unresolved. Pursuant to 12 N.N.C., Section 9, the Department of Personnel Management is subject to sanctions as follows: 1) withhold 10% of the Department of Personnel Management's operating budget per Section 9 (b) and 2) withhold 20% of the salary of the Director per Section 9 (c). However, the current Director started employment on June 26, 2017 and was not the Director that failed to implement the corrective action plan.

Therefore, the Office of the Auditor General recommends amending the Budget and Finance Committee resolution no. BFO-27-14 to extend the Department of Personnel Management's implementation of their corrective action plan 12 months from the Director's hire date or June 26, 2018. The purpose of the extension is to give due process to the newly hired Director by allowing her sufficient time to implement the corrective action plan. Thereafter, the Office of the Auditor General will schedule a supplemental follow-up review. Based on the outcome of the supplemental follow-up review, the Auditor General will provide the appropriate recommendation pursuant to 12 N.N.C. Section 9.

xc: Lavonne Tsosie, Executive Director  
DIVISION OF HUMAN RESOURCES  
Arbin Mitchell, Chief of Staff  
OFFICE OF THE PRESIDENT/VICE PRESIDENT  
Chrono



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## **INTRODUCTION AND BACKGROUND**

The Office of the Auditor General performed a follow-up review to determine the current status of the Department of Personnel Management corrective action plan.

The Office of the Auditor General conducted a performance audit of the Department of Personnel Management and issued audit report no. 14-10 in February 2014. The audit was performed to evaluate the function of the classification and recruitment sections and the reliability of the Department of Personnel Management database. The audit revealed four findings with the Department of Personnel Management. The report and corrective action plan developed by the Office of the Controller were approved by the Budget and Finance Committee on October 9, 2014 per resolution no. BFO-27-14.

## **PROGRAM PURPOSE AND ORGANIZATION**

The Department of Personnel Management provides personnel management services to the Executive and Legislative Branches of the Navajo Nation Government. The Department of Personnel Management purpose includes the following:

- Plan, organize and administer the personnel management services and programs of the Executive and Legislative Branches of the Navajo Nation Government, including but not limited to, recruitment, staffing, compensation, benefits and employment development.
- Provide guidance and advice to supervisors in implementing personnel management policies, procedures and programs in accordance to applicable laws, rules and regulations.
- Support and advise executive level management in human resource planning.

The Department of Personnel Management is a department within the Division of Human Resources. The Department of Personnel Management is headed by a Department Director who reports to the Division Director. The Department of Personnel Management is organized into six sections: Recruitment, Information Technology Support, Employee Information Group, Employee Records, Classification/Pay-Position Control, and Employee Relations.

## **Objective, Scope and Methodology**

In accordance with 12 N.N.C., Section 7, the following objective was established for the follow-up review:

1. Determine whether the Department of Personnel Management implemented its corrective action plan.



The follow-up review primarily focused on the approved 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 the program operations and hinder the achievement of program goals and objectives.

To meet the objective, we performed the following procedures:

- Obtained written confirmation from the Department of Personnel Management on the current status of the corrective actions. If corrective actions were confirmed as implemented, these actions were verified. Corrective actions that were confirmed as not implemented were reported as such.
- Reviewed applicable records to obtain an understanding of any system or policy changes that may have occurred since the initial audit.
- Analyzed the Department of Personnel Management database from January 1, 2016 through August 31, 2016 by a data analytics ACL certified consultant. The consultant performed the same data analysis methodology that was used from the initial audit.
- Examined 100% of Position Classification Questionnaires relating to returns, staff assignments, and status.
- Reviewed qualification assessment appeal records for the six-month period November 1, 2016 through April 30, 2017.
- Reviewed Job Vacancy Analysis referrals.
- Reviewed database relative to blank and negative dates.
- Reviewed applicable training documentation provided to Department of Personnel staff and Navajo Nation Programs.

The scope for this follow-up review was for the period beginning January 1, 2016 through April 30, 2017.

The Office of the Auditor General expresses their appreciation to the Department of Personnel Management staff and all other entities who contributed to this audit for their cooperation and assistance throughout the audit.

## **PRIOR FINDINGS, CORRECTIVE ACTIONS AND CURRENT STATUS**

### ***Prior Finding 1: Department of Personnel Management processing of Position Classification Questionnaire takes too long.***

Sub-issue 1: Department of Personnel Management does not consistently pre-screen PCQs prior to logging them in for processing. Department of Personnel Management logged in 880 PCQs for processing for the five quarter period of October 2011 through December 2012. Of this number, 337 were deemed incomplete and were returned to the programs. However, it took between 2 to 236 working days (or 11 months) for Department of Personnel Management to return these incomplete PCQs.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Incorporate Check Off list into PCQ Instructions.	Implemented
2. Return incomplete PCQs within 2 working days.	Not Implemented. There are still delays in returning incomplete PCQs which causes programs to not expend personnel funds. Department of Personnel Management logged in 197 PCQs and of this number, 33 were deemed incomplete. However, it took Department of Personnel Management 3 to 97 days to return these incomplete PCQs to the programs.
3. Modify PCQ database to automatically assign PCQs received to Classification and Pay Office staff.	Implemented
4. Classification and Pay Office staff to provide training for programs on how to complete PCQs and required documents.	Implemented
5. Employ additional personnel to assist with workload.	Implemented

Sub-issue 2: Department of Personnel Management took more than 10 working days to classify or reclassify 198 (or 58%) of 343 complete PCQs reviewed. The 198 PCQs took between 11 to 189 working days (or between 2 weeks and 8 ½ months) to process.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Establish procedures to ensure that action is taken on PCQs within 10 working days by either classifying/	Implemented

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
reclassifying positions or returning PCQs for additional information or clarification.	
2. Establish a new timeline for PCQs requiring new class specification (position title) or revision to existing class specification to 15 working days for Classification and Pay Office staff to review and issue draft class specification for program review and comment.	Not Implemented. Department of Personnel Management did not establish a 15 working day timeline in its program purpose/ performance criteria for new or revision of class specification. It took Department of Personnel Management 40 days to complete a new class specification.
3. Establish a process to monitor and track updates being made by Department of Personnel Management staff to ensure compliance with 10 working days on classifying/ reclassifying positions.	Not Implemented. Although Department of Personnel Management has established policies and procedures to monitor and track updates within 10 working days, our analysis showed it took Department of Personnel Management 11 to 57 days to process 59 of 144 (41%) classified/ reclassified positions.

Sub-issue 3: Department of Personnel Management maintains PCQs in pending status for long periods of time without communicating with programs on status of their request. The Department of Personnel Management database shows 51 PCQs have been pending anywhere between 39 and 361 working days as of February 2013. However, there is no evidence in the database showing programs received a written response from Department of Personnel Management explaining the pending status.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Modify PCQ database to incorporate email "PCQ status notices sent" field to track and generate reports.	Implemented
2. Establish procedures for electronically notifying programs of the status of their PCQs.	Implemented
3. Provide training to Classification and Pay Office staff on implementation of electronic notification process.	Implemented



***Prior Finding 2: Department of Personnel Management recruitment process is untimely.***

Sub-issue 1: Department of Personnel Management cannot advertise positions without programs initiating the process. Departments took between 2 to 2,134 working days (8 years and 2 months) to submit the job vacancy announcement (JVA) for 1,409 vacant positions from October 2011 through December 2012.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Develop procedures to establish timelines to initiate advertising of vacant positions.	Not Implemented. Department of Personnel Management did not develop procedures for the Employee Information Group Section to notify the Recruitment and Selection Section once the termination/ resignation/ retirement personnel action forms were signed off to initiate the advertising of the vacant positions.
2. Recruitment staff in coordination with programs will develop standardized job vacancy announcements.	Not Implemented. Department of Personnel Management has not completed the standardization of job vacancy announcements. There are only 1,272 of 4,500 (28%) standardized vacancy announcements completed. Further, the Recruitment and Selection Section did not coordinate with Navajo Nation programs in developing standardized job vacancy announcements.

Sub-issue 2: Department of Personnel Management did not advertise vacant positions in a timely manner. Department of Personnel Management took between 11 to 277 working days to advertise 1,163 (74%) of 1,568 JVAs.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Establish procedures to address positions that are placed on hold.	Implemented
2. Change the job vacancy announcement publication to a weekly posting.	Not Implemented. Department of Personnel Management did not advertise job vacancy announcements within the established timelines. The analysis showed it took Department of Personnel Management 10 to 88 days to process 151 of 934 (16%) Job Vacancy Announcements.
3. Provide training to programs and Department of Personnel Management staff on job vacancy announcement	Not Implemented. Department of Personnel Management did provide training for staff, but not for Navajo Nation programs on job

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
procedures.	vacancy announcement procedures.

Sub-issue 3: Department of Personnel Management did not refer applications to programs in a timely manner. Department of Personnel Management took anywhere from 11 to 272 working days to refer 4,796 applications for 459 advertisements with closing dates.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Establish procedures to ensure that qualification assessments and referrals are made within 10 working days of the advertisement closing date.	Implemented
2. Establish a process to monitor and track qualification assessments and referrals are being completed by Department of Personnel Management staff to ensure compliance with 10 working day performance standard.	Not Implemented. Although the Department of Personnel Management has established procedures for monitoring and tracking compliance with the 10-day working day performance standard, the analysis showed it took Department of Personnel Management 11 to 64 days to process 264 of 934 (28%) qualification assessments and referrals.

***Prior Finding 3: Department of Personnel Management assessment of applicant qualifications needs to be strengthened.***

Sub-issue 1: There were no written guidelines for the Department of Personnel Management analysts to use in the evaluation of applications against the qualification criteria. Substitution of work experience for education or converting education for years of experience is based on the analysts' judgment.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Establish qualification assessment procedures.	Implemented
2. Provide training to Recruitment staff on qualification assessment procedures.	Implemented

Sub-issue 2: There was no consistency in the criteria used to assess appealed applications. Department of Personnel Management was not using the same source of qualification criteria in the evaluation of applicant qualifications. The Department of Personnel Management Department Director was assessing appealed applications against the class specification which provides broad qualification requirements while



Department of Personnel Management analysts were assessing applications against the JVA which provides more specified qualification requirements.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Utilize job vacancy announcement information when completing qualification assessments and appeals.	Implemented

Sub-issue 3: JVAs with an equivalency clause of work experience in lieu of education complicate assessments of applicant qualifications. Further, JVAs do not clearly distinguish the qualification requirements.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Implement amended Navajo Nation Personnel Policies Manual effective December 4, 2013.	Implemented
2. Provide training to programs.	Implemented

***Prior Finding 4: Department of Personnel Management personnel database is unreliable.***

Sub-issue 1: Department of Personnel Management database contains blank date fields.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Establish procedures to populate all fields to ensure that all necessary updates to the database are made.	Not Implemented. The analysis showed blank date fields for: 1) Job Vacancy Announcements, specifically Position Vacancy Date, Referral Date, and Position Fill Date; and 2) Application records, specifically Application Return Date, Assessed Date, and Application Assessor Date.
2. Revise Personnel Action Form (PAF) processing procedures to ensure that all necessary updates to JDE (HRIS) and Requisition File database are made when PAFs are processed.	Implemented
3. Establish a process to monitor and track accuracy of updates being made by Department of Personnel Management staff on a monthly basis.	Not Implemented. Department of Personnel Management did not monitor and track the accuracy of its database as evidenced by blank date fields.

Sub-issue 2: Dates are not accurately entered to the personnel database. In computing the number of business days to process documents, the computation resulted in negative business days being computed because of incorrect dates that were entered into the database. Document receive dates were entered after the related action dates.

<b>Corrective Actions</b>	<b><i>Current Status of Corrective Actions</i></b>
1. Establish a formula or condition to prevent posting of inaccurate dates.	Not Implemented. Department of Personnel Management did not establish a formula or condition to prevent posting of inaccurate dates. The analysis showed negative business days for Job Vacancy Announcements, specifically Receive Date and Position Vacancy Date, Advertising Date, Advertising Closing Date and Referral Date.
2. Establish a process to monitor and track the accuracy of updates being made by Department of Personnel Management staff.	Not Implemented. Department of Personnel Management did not monitor and track the accuracy of updates as evidenced by the analysis results which shows negative business days.

BFO-27-14

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

22<sup>ND</sup> NAVAJO NATION COUNCIL - Fourth Year, 2014

AN ACTION

RELATING TO HEALTH, EDUCATION AND HUMAN RESOURCES, AND BUDGET  
AND FINANCE; ACCEPTING THE PERFORMANCE AUDIT OF THE DEPARTMENT  
OF PERSONNEL MANAGEMENT SUBMITTED BY THE OFFICE OF THE AUDITOR  
GENERAL

BE IT ENACTED:

- A. Pursuant to 2 N.N.C. § 401(C) (1) the Health, Education and Human Resources Committee has oversight authority over the Division of Human Resources, Department of Personnel Management.
- B. Pursuant to 2 N.N.C. § 301(B) (13), the Budget and Finance Committee has oversight authority over the Office of the Auditor General.
- C. Pursuant to 12 N.N.C. § 6(A) the Auditor General shall submit all Navajo Nation program, division, chapter, and enterprise audit reports with findings and recommendations to the Budget and Finance Committee of the Navajo Nation Council for their review.
- D. The Navajo Nation hereby accepts Report No. 14-10, A Performance Audit of the Department of Personnel Management, attached hereto as Exhibit A, and approves the Department of Personnel Management's Corrective Action Plan, attached hereto as Exhibit B.
- E. The Navajo Nation hereby directs that copies of the Department of Personnel Management's Corrective Action Plan be provided to the Office of the President and the Vice President and the Health, Education and Human Services Committee, as part of their oversight responsibility for the Department of Personnel Management.

- F. The Navajo Nation hereby directs the Department of Personnel Management to submit a written status report on its' progress in implementation of the Corrective Action Plan to the Office of the Auditor General six months after the final Committee approval of this resolution.
- G. The Navajo Nation hereby directs the Auditor General to review the written status report to be submitted by the Department of Personnel Management and report to the Health, Education and Human Services Committee, as well as the Budget and Finance Committee.
- H. The Navajo Nation hereby directs the Office of the Auditor General to conduct a follow-up review six months after the approval of this resolution to verify the actions claimed to have been taken by the Department of Personnel Management, to issue a written follow-up report indicating the Department of Personnel Management's progress in implementing the Corrective Action Plan, and to make recommendations to the Health, Education and Human Services Committee, as well as the Budget and Finance Committee.

CERTIFICATION

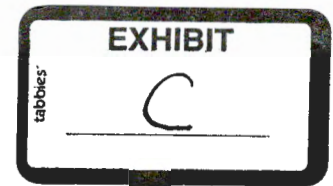
I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 4 in favor, 0 opposed, this 9<sup>th</sup> day of October, 2014.



Jonathan Nez, Vice Chairperson  
Budget and Finance Committee

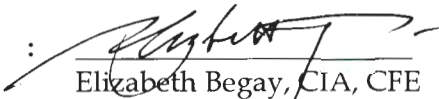
Motion: Mel R. Begay  
Second: Nelson S. Begaye





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

**TO** : Levon Henry, Chief Legislative Counsel  
**OFFICE OF LEGISLATIVE COUNSEL**

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

**DATE** : August 07, 2017

**SUBJECT** : Request for Legislation – Department of Personnel Management

We request your office to prepare the legislation "An Action relating to Health, Education and Human Services and Finance; Amending BFO-27-14 to extend the Department of Personnel Management implementation of their Corrective Action Plan until June 26, 2018." The legislation sponsor for the amendment will be Council Delegate Jonathan Hale.

Pursuant to BFO-27-14, the Office of the Auditor General conducted the follow-up review of the Department of Personnel Management's implementation of their corrective action plan that was approved by the Budget and Finance Committee on October 9, 2014. The follow-up review report dated July 28, 2017 concluded that the Department of Personnel Management failed to implement their corrective action plan. Pursuant to 12 N.N.C., Section 9, the Department of Personnel Management is subject to sanctions.

However, the current Human Resources Director just started employment on June 26, 2017 and was not responsible for the failure of her Department to implement the corrective action plan. Therefore, we recommend extending the Department's implementation of their corrective action plan to give due process to the Department Director by providing her additional time to implement the corrective action plan.

Attached are Exhibit "A" Audit Report No. 17-49, a Follow-up Review of the Department of Personnel Management Corrective Action Plan Implementation and Exhibit "B" Resolution BFO-27-14.

If you have any questions, please contact our office at extension 6303. Thank you.

Attachment

xc: Jonathan Hale, Sponsor  
Chrono