

## **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 Need 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.