

SUMMARY

The Navajo Nation Office of the Auditor General has conducted a special review of the Department of Navajo Veterans Affairs (DNVA). This review was conducted pursuant to Title 12 Navajo Nation Code Chapter 1, Sections 2 (A)(2) and 3 (E). This audit evaluates how well DNVA administers its financial assistance programs.

FINDING I: DNVA Funds Are Not Used in the Most Efficient and Equitable Manner

DNVA is expected to provide services in the most efficient and equitable manner. The policies and guidelines were designed based on this premise. However, in the absence of consistent implementation of the policies, funds cannot be used efficiently and the department cannot assist as many Veterans as it should. Our review of a sample of DNVA disbursements for financial assistance revealed that the DNVA agency offices were inconsistent when enforcing the policies and processing the requests for assistance. The lack of consistency contributed to DNVA's noncompliance with established policies and guidelines. More important, DNVA funds were not used in the most efficient and equitable manner.

FINDING II: DNVA Needs to Strengthen Policies and Procedures

Policies and procedures are developed to provide staff guidance in reviewing, evaluating, and determining assistance. The policies and procedures should provide enough detail to be comprehensible by all staff including any new staff joining the department. Vague policies and procedures only provide confusion and can allow for policies to be circumvented. There should be written procedures for providing services, monitoring program activities and records management. However, we found the current DNVA policies to be too flexible. This presents opportunities for unfair practices in awarding financial assistance, inefficient use of program resources and potential misuse of funds without any penalties.

FINDING III: DNVA Controls over Financial Assistance Programs Need Improvement

The DNVA administration has a responsibility to ensure its agency staff is maintaining data that is reliable for department use. Monitoring of the agency offices can ensure data reliability, compliance with established policies and adequate staff performance regarding the processing of financial assistance requests. However, our review found the department administration is not effectively monitoring the agency offices and their activities. The administration acknowledged the lack of monitoring reviews and relies on agency data that is not verified as reliable. Further, the Veterans Trust Fund accounting records are not reconciled to the Navajo Nation records to verify accuracy and DNVA is not claiming full reimbursements through the Carl T. Hayden VA Medical Center for traditional healing ceremony expenses.

In addition to the three findings summarized above, the audit report contains recommendations for improving DNVA's internal controls and operations.