

SUMMARY

The Office of the Auditor General conducted a follow up review of the Navajo Head Start (NHS) corrective action plan (CAP) implementation regarding audit report no. 06-05. The Budget and Finance Committee approved the corrective action plan on April 3, 2007 by resolution no. BFCAP-14-07. This review was conducted in accordance with 12 N.N.C. Section 7(G) to determine whether NHS has implemented the corrective actions to resolve the audit findings.

Our CAP follow up review found:

Finding I

- 1 of 4 corrective measures have been implemented, and
- 3 of 4 corrective measures have not been implemented.

Finding II

- 2 of 2 corrective measures have been implemented.

Finding III

- 3 of 6 corrective measures have been implemented, and
- 3 of 6 corrective measures have not been implemented.

Finding IV

- 4 of 6 corrective measures have been implemented, and
- 2 of 6 corrective measures have not been implemented.

Overall, 8 of 18 (44%) corrective measures from the Navajo Head Start corrective action plan approved by the Budget and Finance Committee have not been implemented.

Title 12 N.N.C. Section 8 imposes upon the Navajo Head Start the duty to implement the corrective action plan according to the terms of the plan. Since all of the corrective measures were not implemented, the department has not demonstrated sufficient improvements in providing services to Navajo children. Title 12 N.N.C. Section 9(B) and (C) directs the Office of the Auditor General to recommend sanctions against the department and the Department Director for failure to fully implement the corrective action plan. The sanctions involve withholding 10% of the program's operating budget and 20% of the Department Director's salary. However, Navajo Head Start is federally funded and the grant agreement with the funding agency requires the department to expend its grant monies to meet its contractual deliverables. Withholding of the program's budget and the Department Director's salary will result in the Navajo Head Start to not expend its grant monies according to the terms of its grant agreement. Consequently, the program will be in non-compliance with its grant agreement. Therefore, based on the Department of Justice's advice, the Office of the Auditor General recommends to not impose sanctions against the Navajo Head Start and the Department Director.

In lieu of sanctions, we recommend the Superintendent of the Department of Diné Education to place the Navajo Head Start Director under a performance improvement plan that includes complete implementation of the corrective action plan. By fully implementing its corrective action plan, the Head Start can ensure it is operating effectively and efficiently and meeting performance standards.