

OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A Supplemental Follow-Up Review of the Many Farms Chapter Corrective Action Plan Implementation

**Report No. 17-38
May 2017**

Performed by:
Karen Briscoe, Principal Auditor
Summer Tracy, Associate Auditor



May 26, 2017

Katherine O. Arthur, President
MANY FARMS CHAPTER
P.O. Box 185
Many Farms, AZ 86538

Dear Ms. Arthur:

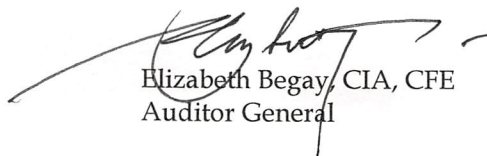
The Office of the Auditor General herewith transmits Audit Report No. 17-38, a Supplemental Follow-up Review of the Many Farms Chapter Corrective Action Plan Implementation. The objective for this supplemental follow-up review was to determine whether the Many Farms Chapter has fully implemented their corrective action plan.

A corrective action plan was developed by the Many Farms Chapter in response to the 2014 audit report no. 14-09. The audit report and the corrective action plan were approved by the Budget and Finance Committee on September 16, 2014, per resolution no. BFCS-23-14. In January 2017, the Office of the Auditor General completed the first Follow-Up Review of the Many Farms Chapter corrective action plan implementation (audit report no. 17-12) and concluded that the Chapter failed to implement its corrective action plan. Therefore, the Chapter was recommended for sanction in accordance with Title 12 Section 9. The Budget and Finance Committee approved to sanction the Many Farms Chapter on May 3, 2017 per resolution no. BFMY-18-17. However, the effective date of the sanction was delayed until June 3, 2017 based on the Many Farms Chapter's representation that their corrective action plan has been fully implemented. The Chapter was given additional 30 days before the sanction is enforced and directed the Office of the Auditor General to revisit the Chapter.

The Office of the Auditor General conducted the supplemental follow-up review the week of May 15, 2017. The supplemental review covers the review of the Many Farms Chapter records for the six month period of October 1, 2016 to March 31, 2017.

Supplemental Follow-up Review Results: The Many Farms Chapter has fully implemented their corrective action plan. As a result, the 12 outstanding audit issues reported in the 2014 audit report have been resolved. Therefore, the Office of the Auditor General concluded to lift the sanctions against the Many Farms Chapter and Chapter officials. See attached Exhibit A for the review results.

Sincerely,



Elizabeth Begay, CIA, CFE
Auditor General

Attachment: Exhibit A

xc: Aljerino Tsedah, Vice-President
Jacqueline Begaye, Secretary/Treasurer
Danny Francis, Community Services Coordinator
Kee Allen Begay Jr., Council Delegate
MANY FARMS CHAPTER
Johnny Johnson, Department Manager II
ADMINISTRATIVE SERVICE CENTER/DCD
Chrono

PRIOR FINDINGS, CORRECTIVE ACTIONS, AND CURRENT STATUS

Prior Finding I: Objective for the Chapter Housing Services Program is not fully met.

Issue 1: Chapter administration does not properly verify eligibility of housing applicants.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Develop checklist of documents required to determine eligibility of applicants. The checklist will be used to verify supporting documents are submitted with the application. Applicants providing documents will be required to show eligibility for assistance.	Implemented
b. Utilized the required documents to determine eligibility of applicants. If the applicant does not submit the required documents, incomplete applications will be returned and cannot be considered for assistance.	Implemented
c. Provide in-house staff training on verification of eligibility. The Chapter administration will set up semi-annual training to keep staff updated on eligibility process.	Implemented
Audit issue resolved: Yes	
Issue 2: Poor documentation of housing activities.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Revise housing application form to obtain information to properly identify housing needs for assistance.	Implemented
b. Develop assessment form to document on-site assessment with applicant and to summarize type of housing assistance request by the applicant.	Implemented
c. Establish recipient files for proper recordkeeping. Each recipient file will contain documents such as application, assessment form, and voter registration.	Implemented
d. Chapter officials will periodically review housing assistance records to ensure proper record keeping.	Implemented
Audit issue resolved: Yes	
Issue 3: Temporary employee has authority to determine the type and amount of housing assistance.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. For applicants requesting for self-help assistance or major repairs, the Community Services Coordinator shall accompany the Public Employment Project worker on the on-site assessment with the applicant.	Implemented
b. For minor repair applicants, the Community Services Coordinator shall review and approve the assessment performed by the Public Employment Project worker (temporary employee).	Implemented

PRIOR FINDINGS, CORRECTIVE ACTIONS, AND CURRENT STATUS

c. The Chapter officials will make sure the Community Services Coordinator reviews and approves all housing assessments during their periodic review of housing records.	Implemented
Audit issue resolved: Yes	
Issue 4: Chapter housing assessments did not fully determine applicant's needs.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Utilize assessment form to document condition of applicant's home and evaluate the type of repairs needed to improve the home. Ensure the assessment takes in to consideration any medical referrals.	Implemented
Audit issue resolved: Yes	
Issue 5: Poor inventory controls resulted in unaccounted building materials.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Develop inventory control sheet to account for all building materials in the warehouse.	Implemented
b. A warehouse issue form shall be developed to document and control the outgoing materials. The issue form will be signed by Community Services Coordinator to verify the type and amount of materials removed from the warehouse.	Implemented
c. Perform monthly physical count of materials and reconcile to the inventory control sheet to detect any discrepancies. Immediately investigate any discrepancies.	Implemented
d. To ensure the materials are received by the recipients, reconcile their material listings against the inventory control sheet.	Implemented
e. Limit access to the warehouse only to authorized Chapter personnel.	Implemented
Audit issue resolved: Yes	
Issue 6: Public Employment Project labor force assigned to housing projects need better supervision.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Conduct weekly project meetings with Public Employment Project Workers on assigned housing projects for updates and to address any issues/barriers.	Implemented
b. Conduct periodic unannounced job site visits to verify status of projects and monitor Public Employment Project workers.	Implemented
c. Require weekly progress reports from beginning to end of projects from Public Employment Project workers.	Implemented
Audit issue resolved: Yes	

PRIOR FINDINGS, CORRECTIVE ACTIONS, AND CURRENT STATUS

Prior Finding II: Chapter Veterans Assistance Program is managed contrary to policies.

Issue 7: Chapter administration does not verify veteran eligibility.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Effective immediately, the Chapter administration will begin reviewing veteran assistance requests to verify eligibility based on supporting documents. Any applications without supporting documents will be denied and returned to Many Farms Veterans Organization.	Implemented
b. Establish veteran's files for proper record keeping and justification on expenses. Each veteran file shall contain documents such as DD-214, voter registration card, and assistance request forms.	Implemented
c. Provide training for Many Farms Veterans Organization officers on the Chapter's authority and responsibilities for administering Chapter funds for direct services. The training will be done annually or as needed.	Implemented
Audit issue resolved: Yes	
Issue 8: Veterans do not return receipts to justify expenditures.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Revise the Veterans Assistance Policies and Procedures to clarify the type of supporting documentation required for the various types of assistance and work closely with the Veterans Organization to enforce the policies and procedures.	Implemented
Audit issue resolved: Yes	
Issue 9: Contrary to policies, disbursements were made directly to veterans.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Comply with the Five Management System policies and procedures to disburse checks directly to vendors/schools.	Implemented
b. Maintain appropriate records to monitor veteran funds.	Implemented
Audit issue resolved: Yes	

Finding III: Public Employment Project funds were used contrary to program objective.

Issue 10: Temporary Public Employment Project employees are employed for extended periods of time.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Adhere to Public Employment Project funding guidelines. The chapter will select projects and determine the length for each project.	Implemented

PRIOR FINDINGS, CORRECTIVE ACTIONS, AND CURRENT STATUS

b. Adhere to Five Management System personnel policies and procedures for hiring temporary employees. The Chapter may elect to hire seasonal and temporary employment to supplement the work force.	Implemented
Audit issue resolved: Yes	

Finding IV: Control deficiencies affected the proper delivery of direct services.

Issue 11: Chapter recordkeeping needs improvement.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. The Chapter will adhere to its records management policy to improve the recordkeeping to maintain records of Chapter personnel, projects, and activities.	Implemented
b. Work with Administrative Service Center to schedule training for the staff and officials to improve its recordkeeping and filing system.	Implemented
c. Monitor the Chapter's recordkeeping system on a quarterly basis to ensure records are maintained correctly by the Chapter administration.	Implemented
Audit issue resolved: Yes	
Issue 12: Poor working relationship between Chapter administration and officials.	
CHAPTER CORRECTIVE ACTIONS	STATUS OF CORRECTIVE ACTION
a. Work with Administrative Service Center to schedule a team building training to help the staff and officials in working closely together and provide better direct services to the community.	Implemented
b. Comply with LGA on the limitation of direct involvement with administrative functions. The officials will remain mindful that they have oversight responsibility of the Chapter administration operations.	Implemented
Audit issue resolved: Yes	