

OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A Second Follow-Up Review of the Veterans Administration Fort Defiance Agency's Corrective Action Plan Implementation

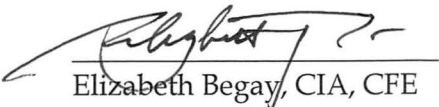
**Report No. 18-27
May 2018**

**Performed by:
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Effie Edsitty, Auditor**



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

TO : Bobbie A. Baldwin, Veterans Service Officer
Fort Defiance Agency
NAVAJO NATION VETERANS ADMINISTRATION

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

DATE : May 30, 2018

SUBJECT : Report No. 18-27 - A Second Follow-up Review of the Veterans Administration Fort Defiance Agency's Corrective Action Plan Implementation

BACKGROUND

In 2015, the Office of the Auditor General performed a special review of the Navajo Nation Veterans Administration-Fort Defiance Agency. This report provides information on the status of the agency office's corrective action plan which was developed to address the audit issues.

OBJECTIVE AND SCOPE

The objective of this review is to determine the status of the corrective action plan implementation based on a six-month review period of June 1, 2017 to November 30, 2017. Our review was based on inquiries, review of records and audit test work.

SUMMARY

Of five audit issues, the Navajo Nation Veterans Administration-Fort Defiance Agency resolved 3 (60%) audit issues, leaving 2 (40%) not resolved. See attached Exhibit A for the detailed explanation of the follow-up results.

CONCLUSION

Although the Navajo Nation Veterans Administration-Fort Defiance Agency did not fully implement the corrective action plan, the Auditor General rescinds the recommendation for sanctions against the Fort Defiance Agency Veterans Service Officer because she has no direct control or decision-making authority over the two corrective measures that have not been fully implemented.

In conclusion, we wish to thank the Fort Defiance Agency staff for assisting in this follow-up review.

xc: Tracey Clyde, Executive Director
NAVAJO NATION VETERANS ADMINISTRATION
Clara Pratte, Chief of Staff
OFFICE OF THE PRESIDENT/VICE PRESIDENT
Chrono

REVIEW RESULTS
Navajo Nation Veterans Administration-Fort Defiance Agency
Review Period: June 1, 2017 through November 30, 2017

Audit Issues	Total of Corrective Measures	# of Corrective Measures Implemented	# of Corrective Measures Not Implemented	Audit Issue Resolved?	Review Details
1. Financial Assistance was approved despite missing supporting documentation	1	1	0	Yes	Attachment A
2. 65% of financial assistance requests were not processed within three days.	1	1	0	Yes	
3. 19% of financial assistance checks were not released to veterans in a timely manner	1	1	0	Yes	
4. The veterans' registry is missing data to verify that veterans that request for assistance are actually enrolled with a chapter within Fort Defiance Agency	1	0	1	No	Attachment B
5. The agency office did not claim \$14,630 in traditional healing ceremony reimbursements	1	0	1	No	
TOTAL:	5	3	2	3-Yes 2-No	

WE DEEM CORRECTIVE MEASURES: **Implemented** where the department provided sufficient and appropriate evidence to support all elements of the implementation; and **Not Implemented** where evidence did not support meaningful movement towards implementation, and/or where no evidence was provided.

◆ 2018 STATUS	Issue 1: Financial assistance was approved despite missing supporting documentation. RESOLVED
Although a checklist was not consistently used by the Fort Defiance Agency, all 40 financial assistance requests examined had the required documentation needed to determine eligibility on file. This is due to better recordkeeping and revised in-house policies. With this significant improvement, the Fort Defiance Agency is able to provide assurance only eligible veterans were assisted.	
◆ 2018 STATUS	Issue 2: 65% of financial assistance requests were not processed within three days. RESOLVED
The Fort Defiance Agency implemented an in-house policy to review and approve the financial assistance requests within three business days. The office also created a ledger to track each request to ensure timely processing. With these changes, the Fort Defiance Agency processed 27 (69%) of the 39 financial assistance examined within the three day timeline leaving 12 (31%) that went over the three day timeline. This is an improvement in the timeliness in processing financial assistance.	
◆ 2018 STATUS	Issue 3: 19% of financial assistance checks were not released to veterans in a timely manner. RESOLVED
According to the corrective action plan, the Fort Defiance Agency would contact veterans within one business day once their financial assistance checks were processed by the Office of the Controller. For the 39 financial assistance that were examined, all 39 veterans were notified within the one day timeframe. This significant improvement was due to the agency office creating a check verification sheet and ledger to track financial assistance requests to ensure timely release of checks to veterans.	

<p>◆ 2018 STATUS</p>	<p>Issue 4: The veterans' registry is missing data to verify that veterans request for assistance are actually enrolled with a chapter within the Fort Defiance Agency NOT RESOLVED</p>
<p>In 2009, the NNVA worked with the Navajo Department of Information Technology to custom build a veteran's registry. In addition, the Department of Information Technology agreed to update and maintain the registry. However, as of this review, the registry is no longer operational. Despite trouble-shooting, the Department of Information Technology can no longer access the registry to update the database. Per the Department of Information Technology, they will likely need to start over with developing a new registry.</p> <p>Prior to losing the registry, the Department of Information Technology downloaded the available data onto spreadsheets and provided them to the respective agency offices to use as working copies for verification purposes. However, a review of the Fort Defiance Agency file revealed dated, incorrect or missing information. Consequently, the staff could not rely on the working copy to readily identify any veterans who could be registered with more than one chapter or agency. Rather, the agency office relies on the veteran files or confirmations with the Election office to verify each veteran's chapter enrollment.</p> <p>Overall, the veteran's registry is essential to all agencies within NNVA. Therefore, the problems found with the registry requires resolution by the NNVA Executive Director rather than the Fort Defiance Agency staff specifically. To re-establish the registry, the Department of Information Technology indicated that they need direction and authorization from the Executive Director. Until a new registry is implemented, the NNVA agency offices including the Fort Defiance Agency is at risk of assisting veterans who are not legitimate members of the agency.</p>	
<p>◆ 2018 STATUS</p>	<p>Issue 5: The agency office did not claim \$14,630 in traditional healing ceremony reimbursements. NOT RESOLVED</p>
<p>For fiscal year 2017, the Fort Defiance Agency did not incur expenses for traditional healing ceremonies that required reimbursement from the Carl T. Hayden program-Phoenix Veterans Affairs Medical Center. Further inquiries revealed that the NNVA agency offices were instructed by a former Executive Director to refrain from seeking reimbursements for such expenses due to the following reasons:</p> <ol style="list-style-type: none"> a) The agreement between the Navajo Nation and the Phoenix Veterans Affairs Medical Center has not been renewed; the last signed agreement found on file was in 2006. b) The traditional practitioners refuse to complete Form W-9 which is required by the Office of the Controller to process their payments; they are supposedly concerned about reporting of their earnings and remittance of taxes on such earnings to the Internal Revenue Service. c) The Carl T. Hayden reimbursements to the Navajo Nation are subject to Internal Revenue Service levy due to outstanding Navajo Nation tax liabilities. <p>According to the Phoenix Veterans Affairs Medical Center, the main issues were: a) Navajo practitioners reluctant to be vetted to become providers by their definition, and b) the tax issues associated with becoming a 'traditional practitioner' based on their requirements. According to their records, the last formal meeting to discuss the Carl T. Hayden program and the issues hindering the program was in 2013 in Tuba City, AZ. However, the issues were not resolved at that time and as a result, they are still pending. They also acknowledged the turnover in the NNVA leadership which may explain why the issues remain unresolved at this time. Currently, the Phoenix Veterans Affairs Medical</p>	

Center is hosting events/seminars to reach out to Navajo veterans to file their traditional healing claims directly with their program rather than thru NNVA.

Overall, the Carl T. Hayden program was intended to benefit Navajo veterans. Therefore, the issues found with the program affects all the five NNVA agencies. Accordingly, the issues need to be resolved by the NNVA Executive Director rather than the Fort Defiance Agency staff. Since the program is currently dormant, NNVA's limited resources from the general funds are used to assist Navajo veterans with their needs for traditional healing ceremonies.