



## **OFFICE OF THE AUDITOR GENERAL**

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### **The Navajo Nation**

#### **A Performance Audit of the Navajo Nation**

#### **Department of Fish and Wildlife**

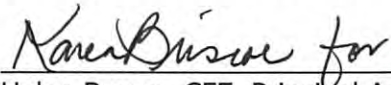
**Report No. 21-13  
June 2021**

**Performed by:  
MOSS ADAMS LLP**



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

**TO** : Gloria Tom, Director  
**DEPARTMENT OF FISH AND WILDLIFE**

**FROM** :   
Helen Brown, CFE, Principal Auditor  
Delegated Auditor General  
**OFFICE OF THE AUDITOR GENERAL**

**DATE** : June 2, 2021

**SUBJECT** : Performance Audit of the Navajo Nation Department of Fish and Wildlife

The Office of the Auditor General herewith transmits Audit Report No. 21-13, a Performance Audit of the Navajo Nation Department of Fish and Wildlife. The performance audit was conducted, in conjunction with Moss Adams LLP, to determine the efficiency and effectiveness of the Navajo Nation Department of Fish and Wildlife in meeting its program objectives and performance measures to conserve, protect, enhance, and restore Navajo Nation fish, wildlife, and plants through aggressive management programs, utilizing resources including grant funds, and complying with applicable policies and procedures. The audit focused on the time period between October 1, 2017 and September 30, 2019.

The auditors reported fourteen (14) findings in the following areas:

- |  |                                   |
|--|-----------------------------------|
| 1. Performance Analysis                  | 8. Travel                         |
| 2. Policies and Procedures               | 9. Department Property Management |
| 3. Enforcement Activities and Monitoring | 10. Employee Property             |
| 4. Budget Utilization                    | 11. Hiring Practices              |
| 5. Grant Agreements                      | 12. Employee Training             |
| 6. Purchasing Cards                      | 13. Employee Certifications       |
| 7. Contracts                             | 14. Performance Appraisals        |

Detailed explanation of the findings can be found in the body of this report. The report provides recommendations to correct the reported findings.

If you have any questions about this report, please contact our office at extension 6303. Thank you for your assistance in completing this audit.

xc: Dr. Rudy Shebala, Division Director  
**DIVISION OF NATURAL RESOURCES**  
Paulson Chaco, Chief of Staff  
**OFFICE OF PRESIDENT/VICE-PRESIDENT**  
Rickie Nez, Chairperson  
**RESOURCES & DEVELOPMENT COMMITTEE**  
Chrono

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# I. EXECUTIVE SUMMARY

## SCOPE AND METHODOLOGY

The Navajo Nation Department of Fish and Wildlife (DFW, the Department) resides within the Division of Natural Resources (DNR), with legislative oversight provided by the Resource and Development Committee (RDC). The purpose of the Department, as defined by Title 23, is to conserve, protect, enhance, and restore Navajo Nation (Navajo Nation or the Nation) fish, wildlife, and plants through aggressive management programs for the spiritual, cultural, and material benefit of present and future generations. The Department is responsible for developing and recommending policies, rules, regulations, and management plans relating to fish, wildlife, and native plant resources on the Navajo Nation. This is achieved through the approval of biological resource land use policies and procedures to ensure compliance with federal and Navajo laws that protect wildlife resources, in addition to subsequent management activities. The Department is funded through Navajo Nation General Funds and federal funds, in addition to revenues earned from permit sales, animal licensing and other fees, and, according to Title 23, fines for violations of Navajo Nation and federal laws.

The Navajo Nation Office of the Auditor General (OAG) contracted with Moss Adams to conduct a performance audit of the DFW, with a focus on the time period between October 1, 2017 and September 30, 2019. Questions we focused on in the audit included:

- Is the Department meeting program objectives and performance measures?
- Does the Department carry out operations in accordance with the intent of the program?
- Is the Department effective in enforcing applicable laws, rules, regulations, policies, and procedures?
- Does the Department comply with grant funding terms and contractual deliverables?
- Does the Department have a strategic planning process to address short- and long-term goals and objectives?
- Does the Department have a control system in place to fully account for and manage property, equipment, and inventories?
- Is the Department effective in managing funds to ensure budget compliance, timely expenditure of funds, and full utilization of available resources?
- Are Department procurement activities of goods and services effectively monitoring to prevent any misuse of program resources?
- Does the Department have appropriate controls in place to ensure travel expenditures are for official department business?
- Are hiring practices consistent across all positions?
- Are staff provided appropriate training to effectively perform duties and responsibilities? Are applicable staff properly licensed?
- Is proper monitoring and oversight over critical and regulated areas exercised?



Based on our analysis of the above areas of focus and our high-level risk assessment of overall Department operations, we developed the following consolidated objective questions, which address all focus areas presented above:

1. How effectively is DFW meeting its objectives and performance measures?
2. How effectively does DFW administer and manage its funding?
3. Are personnel practices sufficiently monitored and consistent across all positions?

Performance audits conducted in accordance with generally accepted government auditing standards (GAGAS) assess whether a government agency is achieving optimal economy, efficiency, and effectiveness in its utilization of available resources.

The performance audit was conducted between December 2019 and March 2020. Analysis was informed by interviews, document review, peer benchmarking, and research into best practices. The project consisted of four major phases: 1) project initiation and management, 2) fact finding that included interviews and detailed testing, 3) performance assessment, and 4) reporting.

## SUMMARY OF FINDINGS AND RECOMMENDATIONS

Findings and recommendations were grouped into three objectives as defined below:

FINDINGS AND RECOMMENDATIONS	
<b>Objective 1</b>	
<b>1.</b>	<p><b>Finding</b> Although the Department leverages KPIs to monitor performance toward annual goals, current KPIs do not present a complete picture of the Department's functions and are often activity-based rather than outcome-based.</p> <p><b>Recommendation</b> Following the development of a long-term strategic plan, evaluate existing KPIs to ensure each goal has correlating KPIs and therefore KPIs present a complete picture of Department operations and measure impact where possible.</p>
<b>2.</b>	<p><b>Finding</b> The Department lacks comprehensive, updated policies and procedures to support consistent operations.</p> <p><b>Recommendation</b> Develop comprehensive, up-to-date policies and procedures to support operational continuity.</p>
<b>3.</b>	<p><b>Finding</b> The Department's enforcement effectiveness is limited due to low staffing levels and a lack of cooperation from District Courts in monitoring cases and remitting fine revenues.</p> <p><b>Recommendations</b> A. Evaluate staffing levels for the Animal Control Program and Wildlife Law Enforcement to enhance overall enforcement presence and efforts. B. Establish a process to receive regular updates on cases and revenues collected from fines issued with the District Courts to monitor the efficacy of enforcement efforts.</p>



<b>FINDINGS AND RECOMMENDATIONS</b>	
<b>Objective 2</b>	
<b>4.</b>	<p><b>Finding</b> Although the Department conducts regular budget-to-actual monitoring on a funding source basis, it struggled to expend available grant funding while overspending enterprise funds.</p> <p><b>Recommendation</b> Conduct quarterly meetings with Department management to discuss budget-to-actual reports and identify strategies to best leverage available funding sources.</p>
<b>5.</b>	<p><b>Finding</b> The Department conducts performance reporting on grant agreements but did not record submission dates for quarterly performance reports.</p> <p><b>Recommendation</b> Establish a process to record submission dates for performance reports in order to ensure compliance with grant requirements.</p>
<b>6.</b>	<p><b>Finding</b> The Department did not have complete records to support each p-card issued, including a completed p-card application and cardholder agreement, and the Department's purchases made on p-cards do not consistently comply with Procurement Rules and Regulations.</p> <p><b>Recommendation</b> Ensure compliance with Procurement Rules and Regulations through staff education of the policy, comprehensive recordkeeping, and diligent p-card review and approval processes.</p>
<b>7.</b>	<p><b>Finding</b> We did not identify any instances of noncompliance, related to executed contracts, with Navajo Nation Procurement Rules and Regulations; however, the Department may not be adhering to contract requirements for items purchased on p-cards.</p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>A. Maintain all compliance-related documentation related to contracts in contract-specific files.</li> <li>B. Ensure compliance with Procurement Rules and Regulations on purchases of goods and services made through p-cards.</li> </ul>
<b>8.</b>	<p><b>Finding</b> Controls over travel, such as travel approval, justification memos, and submission of itemized receipts were not consistently on file.</p> <p><b>Recommendation</b> Reinforce appropriate controls to ensure travel is appropriate, approved, and meets expense report requirements.</p>
<b>9.</b>	<p><b>Finding</b> The Department's property inventory is not up to date and does not have complete information.</p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>A. Implement an asset management system or process and conduct a comprehensive inventory of the Department's property to ensure all necessary items are tagged and appropriately tracked over time.</li> <li>B. Ensure personal property is stored separately from Department property.</li> </ul>



FINDINGS AND RECOMMENDATIONS	
<b>10.</b>	<p><b>Finding</b> The Department does not maintain up-to-date property listings or records for when property is returned from employees who left employment with the Department.</p> <hr/> <p><b>Recommendations</b></p> <p>A. Institutionalize the requirement for employees to provide a memo of returned property to the Department upon leaving employment.</p> <p>B. Conduct an inventory of property checked out to employees and compile a comprehensive listing in employee files.</p>
<b>Objective 3</b>	
<b>11.</b>	<p><b>Finding</b> The Department did not maintain complete records of the selection process for hiring employees, and employees began employment prior to final approval from the Navajo Nation Department of Personnel Management (DPM).</p> <hr/> <p><b>Recommendations</b></p> <p>A. Ensure all pertinent selection files are maintained to protect the Department from claims of inconsistent hiring practices.</p> <p>B. Work with DPM to clarify whether approval needs to occur prior to an employee starting work.</p>
<b>12.</b>	<p><b>Finding</b> Most employees receive minimal external trainings to enhance their knowledge, skills, and abilities.</p> <hr/> <p><b>Recommendation</b> Develop individualized employee learning plans to identify and address ongoing training needs.</p>
<b>13.</b>	<p><b>Finding</b> Approximately half of employee certifications as listed on position job descriptions were not able to be located.</p> <hr/> <p><b>Recommendations</b></p> <p>A. Ensure job descriptions for positions are up to date and include accurate certification requirements.</p> <p>B. Managers should complete annual certification checks to ensure requirements are met for their employees.</p>
<b>14.</b>	<p><b>Finding</b> A minority of performance appraisals were completed late.</p> <hr/> <p><b>Recommendation</b> Ensure managers complete performance appraisals in a timely manner by establishing a tracking system.</p>



## II. INTRODUCTION

### BACKGROUND

The Navajo Nation Department of Fish and Wildlife (DFW, the Department) was established in 1972 within the Division of Natural Resources (DNR). Legislative oversight of the Department is provided by the Resource and Development Committee (RDC) of the Navajo Nation Council. The purpose of the Department, as defined by Title 23, is to conserve, protect, enhance, and restore Navajo Nation fish, wildlife, and plants through aggressive management programs for the spiritual, cultural, and material benefit of present and future generations. The Department is responsible for developing and recommending policies, rules, regulations, and management plans relating to fish, wildlife, and native plant resources on the Navajo Nation. This is achieved through the approval of biological resource land use policies and procedures to ensure compliance with federal and Navajo laws that protect wildlife resources.

The Department has seven sections:

- **Administration:** Provides guidance and support to the other sections within the Department
- **Animal Control Program:** Enforces animal control laws intended to protect the health, safety, and property of people and animals
- **Wildlife Management/Research Section:** Responsible for the gathering and analyzing technical data related to fisheries and wildlife biology
- **Natural Heritage Program:** Collects, manages, and disseminates biological data
- **Wildlife Law Enforcement:** Enforces tribal and federal laws and regulations pertaining to fish and wildlife resources
- **Navajo Nation Zoological and Botanical Park:** Provides quality exhibition of native plant and animal species
- **Colorado Ranches Enterprise:** Manages, conserves, and protects wildlife, agricultural products, plant resources, and their habitats on lands owned in Colorado

The Department is funded through Navajo Nation General Funds and federal funds, in addition to revenues earned from permit sales, animal licensing and other fees, and fines for violations of Navajo Nation and federal laws.

### SCOPE AND METHODOLOGY

#### Performance Audit Definition

Performance audits conducted in accordance with generally accepted government auditing standards (GAGAS) assess whether a government agency is achieving optimal economy, efficiency, and effectiveness in its utilization of available resources. Performance audits provide conclusions based on an evaluation of an organization's current state using sufficient, appropriate evidence and a comparison of the current state against commonly understood criteria and industry best practices. Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve performance and operations, reduce costs, facilitate decision-making, and support public accountability.





Unlike a financial audit, a finding within a performance audit does not necessarily indicate a significant failure of the organization. Rather, findings are intended to identify opportunities for improvement as the organization strives to achieve optimal effectiveness.

## Performance Audit Objectives

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Based on our analysis of these areas of focus and our high-level risk assessment of overall Department operations, we developed the following consolidated objective questions, which address all focus areas presented previously:

1. How effectively is DFW meeting its objectives and performance measures?
2. How effectively does DFW administer and manage its funding?
3. Are personnel practices sufficiently monitored and consistent across all positions?



## ***Audit Methodology***

The performance audit was conducted between December 2019 and March 2020. Analysis was informed by interviews, document review, and testing for specific transactions. The project consisted of four major phases:

1. **Project Initiation and Management:** This phase concentrated on comprehensive project planning and management, including identifying interview participants, document review, communicating results, and regular reporting on project status.
2. **Fact Finding:** This phase included interviews, document review, and testing. We worked with OAG and Department leadership to obtain the most currently available information and insights.

**Interviews:** To gain insight from management and staff, a cross section of 13 employees within a variety of functional areas and management levels were individually interviewed. We also conducted an interview with the DNR Executive Director.

**Document review:** We reviewed multiple documents, including but not limited to:

- Organizational charts
- Organizational planning documents
- Performance reports
- Grant reports
- Navajo Nation policies and procedures
- Departmental policies and procedures
- Budget-to-actual reports

**Testing:** Based on our understanding of the Department, we assessed related risks and developed the detailed audit procedures presented below:

- **Grant Reporting:** To evaluate if the Department was meeting grant reporting requirements, we selected three Quarterly Financial Reports and three Monthly Program Performance Reports that are required to be submitted to ensure grant compliance. All reports were from the audit period. We requested the reports to evaluate whether they were prepared and submitted by the required due dates set by the granting authorities.
- **Purchasing Cards (p-cards):** The Department provided a listing of employees that currently have p-cards; from this list we randomly selected a sample of 21 employee p-cards (out of 54). We also randomly selected two months in the audit period to complete p-card packet testing. For each p-card selected, we determined if a P-card Application and a Cardholder Agreement were on file. For each month, we reviewed p-card packets to assess for compliance with Navajo Nation Purchasing Card Policies and Procedures, in addition to Navajo Nation Procurement Rules and Regulations. Due to delays and issues encountered throughout the audit, we were only able to complete testing for seven of the 21 employees in our sample. Partial testing was completed for the remaining employees, as time allowed.
- **Contracts:** The Department does not maintain a listing of contracts used; therefore, we selected a judgmental sample of five contracts to test while on-site. For each contract, we tested for compliance with select Navajo Nation Procurement Rules and Regulations.



- **Travel:** We were unable to identify a population of travel requests to sample; therefore, we had to utilize travel expenses identified in our p-card testing sample above for testing. For each travel expense identified, we requested the related Travel Authorization to determine if documentation was on file to support that the travel was for official business purposes and that the overall travel approval and documentation process complied with Navajo Nation Travel Policies and Procedures. We attempted to test travel requests related to all travel expenses identified in our p-card sample above; however, we were only able to test five travel requests due to the sampling methodology and overall delay in audit testing.
- **Property Management:** We received the Department's Fixed Asset Listing and randomly selected 29 items (out of 290) to for testing. For each item, we requested to physically see or receive photographs of the asset to assess for existence. Additionally, while on-site, we selected a small sample of assets on-hand to trace them back to the fixed asset listing to assess for completeness.
- **Employee Property:** To determine if employee property is properly managed, we requested a listing of employees that worked at the Department during the audit period. Using this listing, we randomly selected 21 employees (out of 61) to test whether the property listing in their employee file was complete and up-to-date. We requested photographic evidence of employee property and compared this to the property listing on file to determine if it was complete and accurate. Additionally, for employees who left the program, we requested documentation supporting that checked out property was returned to the Department.
- **Hiring:** We received a listing of current Department employees and their corresponding start date. We used this listing to select a sample of 16 employees (out of 31) that were hired during the audit period. For each employee selected, we assessed the documentation related to each step of the new hire selection process, such as employee application, qualification assessment, interview, and the initial personnel action form, to determine consistency across sections and compliance with selected Navajo Nation Personnel policies. Due to inaccuracies in employee start dates on our original sample file, we could only complete testing for 10 employees.
- **Employee Training:** Using the list of employees who worked at the Department over the course of the audit period, we randomly selected 21 employees (out of 61) to review training related records. We searched through employee files to locate and record trainings that the employee attended during the audit period and assessed the number of soft and technical trainings attended to support job performance.
- **Employee Certifications:** We received a Department-prepared listing of employees with certification requirements and randomly selected a sample of 16 of these employees (out of 29). For each employee, we identified certification requirements through the review of employee job descriptions and then assessed whether the Department had proof of current certification on file.
- **Performance Appraisals:** We received a listing of Department employees and their start dates. We identified all employees that began employment prior to our audit period. From this listing, we randomly selected 15 employees (out of 25) and assessed performance appraisal documentation to determine if required appraisals were performed within 30 days of their anniversary for fiscal year (FY) 2018 and FY2019.
- **Best practice research:** Based on the opportunities for improvement identified, we conducted research to ascertain best practices related to audit findings found in other government organizations and supported by industry guidance.



3. **Performance Assessment:** Using the information gathered, we evaluated the importance, impact, and scope of our findings in order to develop recommendations designed specifically to address the audit objectives.
4. **Reporting:** This phase concluded the project by reviewing draft findings and recommendations with OAG and Department leadership to validate facts and confirm the practicality of recommendations.

## **GAGAS COMPLIANCE**

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



### III. PERFORMANCE AUDIT RESULTS

#### OBJECTIVE 1

How effectively is DFW meeting its objectives and performance measures?

#### Performance Analysis

1.	Finding	Although the Department leverages KPIs to monitor performance toward annual goals, current KPIs do not present a complete picture of the Department's functions and are often activity rather than outcome-based.
	Recommendation	Following the development of a long-term strategic plan, evaluate existing KPIs to ensure each goal has correlating KPIs and, therefore, KPIs present a complete picture of Department operations and measure impact where possible.

#### Criteria

Best practices require that performance be monitored in order to demonstrate that programs are meeting their objectives and performance targets. To be effective, performance metrics must be specific, measurable, and reported on a regular basis to management and other interested stakeholders, such as funding agencies and oversight bodies. Ideally, performance measures should be outcome-based to demonstrate the impact of the Department's activities.

#### Condition

The Department establishes KPIs for each program during its annual strategic planning meeting. These KPIs are published in the Department's Annual Work Plan. These metrics effectively establish a mechanism to monitor individual program progress towards goals, which are reported on a quarterly basis.

The table below summarizes the Department's current performance framework, beginning with the DNR-approved Plan of Operation that outlines the Department's overarching functions. Using these as a guide, we included KPIs from the Department's Annual Work Plan to evaluate whether the Department effectively addresses and monitors each component of the Operating Plan. Because each Program has numerous KPIs established, not all routinely monitored KPIs are included in this analysis.



SECTION	PLAN	RELATED PERFORMANCE MEASURE	FY2018	FY2019
Administration	Formulate overall administration and operating policies for the Department	Number of quarterly financial expenditure reports completed	4	4
	Develop and recommend policies and/or regulations for animal control, fish, wildlife, native plant management and enforcement to the RDC	N/A	N/A	N/A
Animal Control Program	Enforce animal control laws	Conduct community enforcement sweep and surrender days	218 community enforcement (animal sweeps) were conducted within the five agencies of the Navajo Nation	182 community enforcement (animal sweeps) were conducted within the five agencies of the Navajo Nation
	Emphasize and promote community health and safety through education and enforcement	Provide humane education on responsible pet ownership and animal control laws	10,946 public education contacts were completed, including one-on-one educational efforts and public education presentations	12,273 public education contacts were completed including one-on-one efforts and public education presentations
		Investigate livestock/dog conflicts cases	335 cases of livestock/dog conflicts were investigated including livestock damage, bite cases, and nuisance cases	487 cases of human bites, livestock damages were investigated and filed with courts
		Provide socially adoptable animals removed from the Navajo Nation to animal rescue organizations	1,823 animals were adopted off the Navajo Nation by animal rescue organizations	1,531 animals were adopted off the Navajo Nation by animal rescue organizations



SECTION	PLAN	RELATED PERFORMANCE MEASURE	FY2018	FY2019
Wildlife Management/ Research	Administers the Big Game, Small Game, Furbearers, Waterfowl, Sport Fisheries and Lake Recreation Native Fisheries and Upland Game Management Programs	Issue fishing/small game permits	10,241 fishing/small game permits issued	10,607 fishing/small game permits issued
		Complete big game hunt harvests and collect biological data from wildlife for population monitoring purposes	128 hunt harvest forms, sheets where biological data is recorded from harvested big game, were completed	91 hunt harvest forms were completed
		Number of fish stocked in Navajo Nation Lakes	115,691 fish were stocked in Navajo Nation lakes from the Fish Hatchery and the USFWS	111,653 fish were stocked in Navajo Nation lakes from the Fish Hatchery and USFWS
		Complete fish surveys for population monitoring purposes	13 fish surveys were completed in streams and lakes	9 fish surveys were completed in streams and lakes
		Complete creel survey to determine fish stocking rates for Navajo Nation Lakes	561 creel surveys were completed, including lake-user surveys	356 creel surveys were completed
		Fish hatched and raised at the Navajo Nation Fish Hatchery	135,610 fry and 86,882 fingerlings were being raised at the fish hatchery at year-end	142,716 fingerlings and fry were in the upper and lower ponds at the fish hatchery
		Remove trash from fishing lakes to provide a quality outdoor experience	21,420 pounds of trash were removed from fishing lakes, with active waste management at three major lakes	25,240 pounds of trash were removed from fishing lakes, with active waste management at three major lakes
		Prioritize the Gold Eagle Study	Submitted funding proposal equal to \$75,000 to BIA for golden eagle monitoring	No funds were identified to conduct golden eagle



SECTION	PLAN	RELATED PERFORMANCE MEASURE	FY2018	FY2019
				monitoring, but efforts continued.
		Conduct public education projects to promote the importance of wildlife	136 public education projects were conducted, including the Navajo Nation Fair, fish hatchery tours, Public Service Announcements, newspaper articles, presentations and hunters education	87 public education projects were conducted, including the Navajo Nation Fair, fish ladder and fish hatchery tours, articles, presentations, and hunters education
	Administer the Predator Control Program, which plans, executes, and supervises activities relating to the management of wildlife injuries to livestock	Investigate and provide/recommend remedies for wildlife damage complaints	133 wildlife damage complaints were addressed	148 wildlife damage complaints were addressed
	Administer the Endangered Fish Program, which maintains the Fish Ladder on the San Juan River and the Navajo Agricultural Products Industry Razorback Sucker Grow Out Ponds	Number of fish processed at Fish Ladder	4,197 fish	3,902 fish
Number of NAPI ponds managed for Razorback Sucker Grow-out		3 ponds	3 ponds	
Number of Razorback suckers stocked into San Juan River		2,943 RBSs	229 RBSs	
Number of research/management projects related to native fish and/or native fish recovery		30 projects	28 projects	





SECTION	PLAN	RELATED PERFORMANCE MEASURE	FY2018	FY2019
Natural Heritage Program	Conduct ongoing systematic scientific inventory of and research on the distribution and status of plants, animals, and biotic communities on the Navajo Nation	BIOTICS database update, data preparation, data entry, and modification hours	382 hours	337 hours
		Herbarium curator and maintenance hours	42 hours	103 hours
		Plant monitoring database creation and data entry hours	245 hours	156 hours
	Identify and prioritize conservation areas in need of special management to recover rare and/or endangered species and biotic communities	Number of hours for Invasive Species Mapping Project	N/A	64 hours
	Make biological information available to developers, natural resource managers, NatureServe, and land use planners	Number of data requests completed	197 data requests completed	170 data request completed
		Number of project reviews	531 project reviews completed	No project reviews completed
	Conduct public education presentations to promote positive awareness of tribal biological resources and understandings of the Natural Heritage Program goals	Number of public presentations completed, including endangered species presentations	14 public presentations completed	40 public presentations and endangered species workshops completed
		Number of reports and publications produced	2 reports of publications produced	6 reports or publications produced



SECTION	PLAN	RELATED PERFORMANCE MEASURE	FY2018	FY2019
<b>Wildlife Law Enforcement</b>	Enforce tribal and federal laws and regulations pertaining to fish and wildlife resources	Number of hunter/fisherman checks to ensure compliance with Navajo Nation and federal laws	Unknown	5,454 checks
		Number of critical wildlife habitat patrols	302 patrols	1,413 patrols
		Number of violations investigated to cite individuals who violate laws related to wildlife	Unknown	295 violations
		Number of hunt patrols	Unknown	14 checkpoint patrols
		Number of natural resource users contacts (non-hunters and fishers)	Unknown	823 contacts
		Hunters education classes completed	312 students served	8 courses
<b>Navajo Nation Zoological and Botanical Park</b>	Provide a quality exhibition of native plant and animal species that will foster understanding, appreciation, knowledge, and respect of plants and animals that inhabit the Navajo Nation and Southwest	Monitor the number of visits to the zoo	42,369 visits to the zoo	35,321 visits to the zoo
		Provide expanded customer service	Zoo opened to visitors on the majority of tribal holidays	Zoo opened to visitors on the majority of tribal holidays
		Provide expanded health services for zoo animals	Zoo staff completed 5,343 environmental enrichments	Zoo staff completed 2,314 environmental enrichments
		Educate local youth about native wildlife and the zoo through participation in off-site events	69 schools visited the zoo	65 schools visited the zoo
		Provide services for cultural needs of the Navajo people	467 eagle feathers were collected for distribution	794 eagle feathers were collected for distribution



SECTION	PLAN	RELATED PERFORMANCE MEASURE	FY2018	FY2019
Colorado Ranches Enterprise	Wolf Springs Ranch purchased after approval of DFW Plan of Operations in 2016, so undefined	Improve livestock sales	\$233,931 in cattle sales \$655,136 in bison sales	\$285,932 in cattle sales \$545,955 in bison sales
		Produce hay	1,500 tons produced	1,100 tons produced
		Herd health management and productivity	90% pregnancy cattle 90% pregnancy bison	92% pregnancy cattle 88% pregnancy bison
		Hours spent on herd management	1,216 hours	1,676 hours
		Hours spent on preparation, irrigation, and harvest of hay	Unknown	496 hours
		Hours of hunting program monitoring and preparation of Cooperative Agreement	269 hours	244 hours



Overall, the Department leverages data to its advantage. The amount of data available through Departmental reports is vast and demonstrates activities completed by staff.

However, this analysis identified opportunities for improvement in establishing KPIs. Without an overarching strategic plan to tie KPIs to, some functional areas within the Plan of Operation did not have a clear relationship to an annual KPI. This presents challenges in ensuring the Department is effectively carrying out all of its defined roles and responsibilities. For example, one of the functions of the Natural Heritage Program is to identify and prioritize conservation areas in need of special management to recover rare and/or endangered species and biotic communities. Based on a review of several Department documents and discussions with staff, it is clear that this activity is occurring on an ongoing basis. However, these activities are largely not reflected in the Department's KPIs for FY2018 or FY2019, which only includes one related KPI in 2019: "Number of hours for invasive species mapping project." The Department's full scope of conservation identification and communication should be reflected in its KPIs and should measure impactful information, such as number of species monitored or animal populations rather than hours spent by staff to complete tasks.

Additionally, Colorado Ranches Enterprise was purchased in 2017, and therefore its purpose is not included in the 2016 Plan of Operation for the Department. Although Colorado Ranches Enterprise is still largely establishing its operations, it would benefit from setting more strategic KPIs. Current KPIs are not specific and would therefore be difficult to measure. Some examples of KPIs that fall into this category include:

- Produce hay
- Herd health management and productivity
- Hours of hunting program monitoring and preparation of cooperative agreement

Current KPIs could be strengthened since they do not provide a complete picture of the Department's overall performance. Several KPIs included in this analysis also reported the number of staff hours to complete a task, which does not communicate the outcome or purpose of the activity.

### ***Effect***

Some of the Department's core functions are not reflected in the Department's existing performance management framework. As a result, the Department may struggle to demonstrate transparency in carrying out the full scope of its roles and responsibilities through currently available performance reports. The Department relies largely on activity-based KPIs that do not adequately communicate its impact to oversight bodies or the community.

### ***Cause***

The Operation Plan is outdated and therefore does not include all of the Department's current sections. Performance indicators are not established in alignment with a comprehensive strategic plan that encompasses all of the Department's responsibilities and establishes outcome-based performance measures. As a result, the Department has emphasized KPIs that can be easily measured rather than outcomes the result from its work.



### **Recommendation**

After the Department establishes a strategic plan that is approved by the DNR and RDC, it should assess its current KPIs to ensure alignment with strategic plan goals. Each strategic plan goal should have an outcome-based performance measure and activity-based KPIs that demonstrate progress toward each goal. Examples of relevant outcome-based performance measures include:

- Percent of protected species with improved or stable numbers
- Ratio of acres treated for invasive plants to acres infested with invasive plants
- Percent of known cultural properties in good condition

Performance measures and KPIs should be regularly reported to DNR and the RDC to emphasize transparency, accountability, and facilitate a proactive approach to management and operations.

KPIs should be both meaningful and measurable to communicate progress toward achieving Department outcomes. Adopting outcome-based KPIs enables the Department to more effectively communicate its impact rather than state the volume of work accomplished.

### **Policies and Procedures**

<b>2. Finding</b>	<b>The Department lacks comprehensive, updated policies and procedures to support consistent operations.</b>
<b>Recommendation</b>	<b>Develop comprehensive, up-to-date policies and procedures to support operational continuity.</b>

### **Criteria**

Policies and procedures help employees understand expectations and perform processes consistently across locations and time. Additionally, policies and procedures support operational continuity when employees filling critical positions leave the Department.

### **Condition**

The Department is fortunate to employ many long-tenured staff. In particular, all program managers (with the exception of one) have been with the Department for 20+ years. One program manager recently retired, and others are likely to follow over the course of the next 5 to 10 years. Therefore, it is imperative that policies and procedures are documented, maintained, and up to date to ensure operational continuity during employee transitions and new employee onboarding.

In order to assess existing policies and procedures, we requested the Department's currently documented materials. The policy areas covered, within the policies that were provided during the course of this internal audit, and the date of the last policy update, are included in the following table:



SECTION	POLICY TOPIC	DATE OF LAST UPDATE
Wildlife Law Enforcement	Hiring Standards	1/14/2010
Wildlife Law Enforcement	Ethics and Conduct	1/14/2010
Wildlife Law Enforcement	Firearm	1/14/2010
Wildlife Law Enforcement	Firearm Training	1/14/2010
Wildlife Law Enforcement	Intermediate Weapons	1/14/2010
Wildlife Law Enforcement	Use of Force	1/14/2010
Wildlife Law Enforcement	Evidence	1/14/2010
Wildlife Law Enforcement	Report Writing	1/14/2010
Wildlife Law Enforcement	Uniform Standards for Law Enforcement Personnel	1/14/2010
Wildlife Law Enforcement	Grooming and Hygiene	1/14/2010
Wildlife Law Enforcement	Training Requirements	1/14/2010
Wildlife Law Enforcement	Physical Fitness Policy	1/14/2010
Wildlife Law Enforcement	Search Policy	1/14/2010
Wildlife Law Enforcement	Records and Records Management	1/14/2010
Wildlife Law Enforcement	Legal Process	1/14/2010
Wildlife Law Enforcement	Drug Testing	1/14/2010
Wildlife Law Enforcement	Chemical Agent	1/14/2010
Wildlife Law Enforcement	Department Information	1/14/2010
Wildlife Law Enforcement	Wildlife Law Enforcement Offenses	1/14/2010
Wildlife Law Enforcement	Internal Affairs	1/14/2010
Wildlife Law Enforcement	Undercover Operations Policy	1/14/2010
Wildlife Law Enforcement	Vehicle Pursuit Policy	1/14/2010
Wildlife Law Enforcement	Vehicle Operations	1/14/2010
Wildlife Law Enforcement	High Risk Stop	1/14/2010
Wildlife Law Enforcement	Patrol Case Management	1/14/2010



SECTION	POLICY TOPIC	DATE OF LAST UPDATE
Wildlife Law Enforcement	Court Attendance	1/14/2010
Wildlife Law Enforcement	Body Armor	1/14/2010
Wildlife Law Enforcement	Training Record	1/14/2010
Wildlife Law Enforcement	Vehicle Equipment and Standards	1/14/2010
Wildlife Law Enforcement	Department Tools	1/14/2010
Wildlife Law Enforcement	Commissioning	1/14/2010
Zoo	Eagle Feather Distribution Policy	10/17/2019
Zoo	Emergency Response and Recovery Plan	2013
Zoo	Operation and Management Plan for Navajo Nation Eagle Aviary	July 2015
Zoo	Policy for Working Safely with Animals	July 2015

Of the seven sections at the Department, only two (the Wildlife Law Enforcement and the Zoo) provided documented policies and procedures. The Wildlife Law Enforcement has a comprehensive policy manual; however, it has not been updated for 10 years and therefore may include outdated information that contradicts current policy expectations of management.

### ***Effect***

Without well-documented, current, and accessible policies and procedures, employees may inadvertently complete tasks incorrectly and in a way that violates Department or Navajo Nation expectations for safety, service, or cost-effectiveness. Because employees in the Department often work independently and with community members, the lack of documented and consistently followed policies can create reputational risks with the community. Finally, the impact of key position turnover is greater when key functional areas are not supported by adequate policies and procedures help ease the transition.

### ***Cause***

A lot of Department leadership has been with the Department for many years and therefore do not have to rely on written policies and procedures. Employees have largely been coached on tasks through on-the-job training rather than policy and procedure documentation.



### **Recommendation**

Well-developed policies and procedures will reduce the Department's operating risk and increase employee accountability. The Department should embark on a policy and procedure development and update process to capture existing employees' knowledge. Given the Department's limited resources and staff capacity, policy and procedure documentation should be prioritized for functions that are:

- Highly specialized subject areas
- Regulatory or compliance-related, including safety
- Impacted by high turnover or anticipated retirements

Examples of policies and procedures that may be useful include:

- Animal bite management
- Investigation procedures
- Wildlife predation abatement
- Database management
- Department-specific financial policies (complement the Navajo Nation policies)
- Department-specific personnel policies (complement the Navajo Nation policies)
- Department-specific property management policies (complement the Navajo Nation policies)
- Employee property management

Once policies and procedures are created, they should be available in a centralized location that is convenient for central office and field staff to access. Employees should also receive trainings on Department-wide policies and procedures in addition to policies and procedures over their functional areas. Well-documented and consistently applied procedures help smooth employee transitions and promote employee accountability.

### **Enforcement Activities and Monitoring**

<b>3. Finding</b>	<b>The Department's enforcement effectiveness is limited due to low staffing levels and a lack of cooperation from District Courts in monitoring cases and remitting fine revenues.</b>
<b>Recommendations</b>	<p><b>A. Evaluate staffing levels for the Animal Control Program and Wildlife Law Enforcement to enhance overall enforcement presence and efforts.</b></p> <p><b>B. Establish a process to receive regular updates on cases and revenues collected from fines issued with the District Courts to monitor the efficacy of enforcement efforts.</b></p>

### **Criteria**

According to Title 23, the Department is responsible for enforcing Navajo Nation and federal laws related to hunting and fishing. The Department's Animal Control Program and Wildlife Enforcement programs conduct enforcement activities.





The Animal Control Program enforces the Title 13 Animal Control Ordinance (the Ordinance), which was revised in August 2018, through community sweeps and responding to complaints; Animal Control Officers issue citations for ordinance violations. For example, the Ordinance limits the number of animals per household to four dogs and four cats and requires that each animal be licensed on an annual basis and vaccinated for rabies. The Ordinance gives Animal Control Officers the authority to issue citations for violations and includes a schedule of penalties that defines the fine for each type of violation.

Similarly, the Wildlife Law Enforcement is responsible for the preservation of fish, wildlife, and plant resources of the Navajo Nation through the enforcement of fish and wildlife regulations as authorized in Title 17. For example, hunters and fishers are required to be properly permitted and adhere to schedules published by the Department. Wildlife Conservation Officers issue citations for violations to regulations through general patrol activities and hunt patrols.

Violations of applicable laws are brought to trial before the District Courts of the Navajo Nation, which assesses penalties. The collection of fines for game violations are to be remitted from the District Courts to the Department’s revolving fund, distinguished from other sources of revenue earned by the Department, and earmarked for use in management, protection, and regulation of fish and wildlife resources.

**Condition**

Both the Animal Control Program and Wildlife Law Enforcement experience extremely low staffing levels. The Animal Control Program has 10 staff and one Program Manager, averaging two employees per Navajo Nation region. The Wildlife Law Enforcement employs only three staff and one Wildlife Manager. In both cases, the geographic expanse of land and communities that should be protected is unmanageably large. One of the most powerful ways to promote compliance with the law is by increasing the perception of detection of violations. With such limited staffing levels, the Department’s ability to effectively enforce laws is limited.

In interviews, Animal Control Program and Wildlife Law Enforcement staff expressed concerns regarding the effectiveness of their enforcement efforts. Several years ago, the Animal Control Program requested the results of citations issued in response to the Ordinance violations from the District Courts and discovered that approximately 75% of citations were dismissed. When citations are dismissed from the courts, the offender does not have pay fines or experience other penalties, which undermines the enforcement efforts conducted by the Program. The table below shows the number of citations issued by the Department in FY2018 and FY2019. The Wildlife Law Enforcement does not currently track the number of cases filed with courts through citations and criminal summons.

	2018		2019	
	Citations Issued	Cases Filed with Courts	Citations Issued	Cases Filed with Courts
Animal Control Program	388	169	120	76
Wildlife Law Enforcement	49	Unknown	128	Unknown



The Department does not receive regular updates from the District Courts on the results of its citations; therefore, we were not able to evaluate whether citations were being enforced. In response to an audit request, the Department requested the results of citations issued between October 1, 2017 and September 30, 2019 from the District Courts. However, the District Courts did not respond to this request prior to completion of the audit.

In order to evaluate the monetary value of fines issued, we requested the citation-specific dollar amounts from the Department's enterprise fund, since Title 23 specifies that fines collected from citations are separately coded and deposited into that account. However, the Department reports that the District Courts do not remit fine collections to revolving fund. If violators are held accountable to paying fines, the Court collects the funds but does not send the funds to the Department as stipulated in Title 23.

### ***Effect***

Low staffing levels decrease overall enforcement presence in communities and limits enforcement checks, which hinders overall enforcement efforts.

Without regular reports from the District Courts to follow up on cases filed, the Department does not have complete information to monitor the efficacy of its enforcement activities. Staff who issue citations may begin to feel apathetic about completing the appropriate paperwork without a complete understanding of what the end result of their efforts may be. Ultimately, enforcement of hunting, fishing, and animal control laws is compromised without the support of the District Courts. This negatively impacts the ability of the Nation to protect its communities, native wildlife, and habitats.

### ***Cause***

Both the Animal Control Program and Wildlife Law Enforcement are partially funded through general fund dollars; therefore, they must compete with other programs and departments for resources.

The Department reports that the District Courts are not responsive to requests. Additionally, following the publication of the White Paper detailing that approximately 75% of the Department's cases were dismissed, the Department suspects that the Courts are less willing to share information with enforcement sections to protect their reputation in communities.

### ***Recommendation***

Evaluate staffing levels for the Animal Control Program and Wildlife Law Enforcement to enhance overall enforcement presence and efforts. Although there is no industry standard guidance related to staffing of either program, the Department should reassess its staffing needs. When completing this assessment, the Department should consider the following:

- Enforcement responsibilities and purview
- Population density and diversity
- Coverage area



These factors should inform overall staffing levels. For example, the Wildlife Law Enforcement likely needs at least two more Wildlife Conservation Officers in order to ensure coverage across each Navajo Nation region. Similarly, the Animal Control Program requires two employees to respond to each call for safety purposes and therefore likely needs one more officer for each region to provide shelter support and relief for other officers.

The Department should establish a process to receive biannual reports from the District Courts to monitor progress on citations and stay abreast of the results of their efforts. To be effective, District Courts must uphold and support Departmental enforcement efforts by honoring citations and pursuing action on referred cases as appropriate. Additionally, the District Court should be educated on the requirement to remit fine revenues back to the Department's revolving fund, as required in Title 23. The Department may need support from the DNR and RDC to educate the Courts on the nature of fishing, hunting, and animal control violations to increase their understanding of the impact they can have on the Nation's community and natural assets.

## OBJECTIVE 2

How effectively does DFW administer and manage its funding?

### Budget Utilization

4.	Finding	<b>Although the Department conducts regular budget-to-actual monitoring on a funding source basis, it struggled to expend available grant funding while overspending enterprise funds.</b>
	Recommendation	<b>Conduct quarterly meetings with Department management to discuss budget-to-actual reports and identify strategies to best leverage available funding sources.</b>

### Criteria

In order to best leverage available funds, the Department should have a regular budget monitoring process. Budget monitoring should result in effective utilization of available funds, including spending levels in accordance with budgeted amounts. Grant funds have specific requirements related to how and when funds can be expended.

### Condition

The Department conducts regular budget monitoring for each of its business unit accounts through monthly budget-to-actual reports; these reports demonstrate total available funds based on funding sources and include expenditures. The Department's Administration Services Officer compiles reports and provides them to Program Managers each month. Program Managers are in turn responsible for managing their budgets and expending funds in accordance with the Annual Work Plan.



In order to evaluate the efficacy of budget utilization at the Department, we reviewed their budget-to-actual reports for each account that was operational in FY2018 and FY2019. Overall, the Department is moderately effective in leveraging available funding to pursue its operational activities. Some programs struggle to expend available funds, primarily due to personnel shortages. This was a particular issue for the Animal Control Program, Wildlife Grant Upper Colorado, Fish and Wildlife Management Program, and Natural Heritage Program. Vacancies contribute to overall lower costs both through salary and benefits, but also for other operational expenditures that are not able to occur due to staffing shortages. For example, staff vacancies reduce availability to attend trainings and complete tasks that would require consumption of materials.

Conversely, the Department expended nearly double its budgeted amount for the Fish and Wildlife enterprise fund in FY2018 and FY2019. This suggests that another barrier to fully expending grant funds may be limitations on how funds can be used and the process to encumber funds, since enterprise funds have fewer restrictions and reporting requirements than grant funds. The detailed results of this analysis, reported by Navajo Nation fiscal years (October 1 through September 30), are presented in the following table.



Account	Funding Source	FY2018			FY2019		
		Budgeted Amount	Actual Amount	Percent Expensed of Total	Budgeted Amount	Actual Amount	Percent Expensed of Total
115025 Fish and Wildlife Administration	General Fund	\$916,023.63	\$939,886.03	103%	\$1,087,335.14	\$1,010,034.95	93%
115026 Animal Control Program	General Fund	\$1,155,587.12*	\$790,648.70	65.4%	\$1,158,234.32**	\$832,624.37	71.9%
115035 Zoo	General Fund	\$475,708.76	\$486,494.64	102.2%***	\$575,672.80	\$488,128.60	84.8%
915008 Fish and Wildlife Management Program	Enterprise Fund	\$935,039.57	\$1,979,663.10	206.7%	\$913,605.36	\$1,760,881.22	192.7%
915014 Colorado Ranches Enterprise	Enterprise Fund	\$795,000	\$256,379.40	32.3%**	\$885,000.00	\$857,128.23	96.85%
K170779 Wildlife Grant Upper Colorado	Grant	\$240,673.16	59,878.82	25%	\$511,088.70	\$275,068.57	53%
K180704 Fish and Wildlife Management Program	Grant	\$255,304.17	\$150,481.29	60%	\$258,813.17	\$168,997.58	77%
K190724 Fish and Wildlife Management Program*	Grant	N/A	N/A	N/A	\$257,400	\$110,950.11	43%



Account	Funding Source	FY2018			FY2019		
		Budgeted Amount	Actual Amount	Percent Expensed of Total	Budgeted Amount	Actual Amount	Percent Expensed of Total
K190725 Natural Heritage Program*	Grant	N/A	N/A	N/A	\$295,167.00	\$188,795.09	63.9%
K180719 Natural Heritage Program*	Grant	N/A	N/A	N/A	\$437,698.33	\$402,830.26	86%

\* This account was not established in FY2018; therefore, there are no associated budget-to-actual reports for this time period.

\*\* The Colorado Ranches Enterprise was purchased on October 26, 2017, and therefore did not have a complete year of operations in FY2018.

\*\*\* Department staff report that this overage is due to the increase in medical costs for personnel. However, no internal audit work was performed to verify this.



This analysis demonstrates that although the Department conducts regular budget monitoring, it does not always leverage its grant funds as much as it could. In detailed budget-to-actual reports, we found that personnel expenditures were often lagging for grant-funded programs, although the enterprise fund often paid for personnel expenditures that could be grant-funded.

While this analysis reflects readily available information as recorded in the Navajo Nation's financial system, the Office of Management and Budget reported that expenditures may not be accurate due to yearend adjustments completed by the Office of the Controller.

***Effect***

The Department does not fully expend its available federal fund dollars and instead uses enterprise funds to support operations. If grant expenditures are not incurred within the appropriate period of availability, the Department could lose funds that are not utilized.

***Cause***

The Department struggles to fill and retain personnel to fulfill positions and ease workloads that would enable better utilization of available funding. Enterprise funds have fewer restrictions and therefore are easier to use during the course of operations. Additionally, the Department reported that there are often delays in processing grant funds so that they are available to expend; therefore, it may use the enterprise fund to prevent staff layoffs in between grant authorizations.

***Recommendation***

Conduct quarterly budget-to-actual report review meetings with the Department Director, ASO, and program managers. Although each program manager monitors their individual budget, enterprise funds are often used in varying levels to support all Department activities. Therefore, these meetings should focus on identifying strategies to mitigate issues that prevent spending according to plan and best leverage available grant dollars.

**Grant Agreements**

<b>5.</b>	<b>Finding</b>	<b>The Department conducts performance reporting on grant agreements but did not record submission dates for quarterly performance reports.</b>
	<b>Recommendation</b>	<b>Establish a process to record submission dates for performance reports in order to ensure compliance with grant requirements.</b>

***Criteria***

As a viable funding source for key activities, the Department should have proper grant monitoring and reporting practices to ensure funding terms and contractual deliverables are met. Grant agreements specify reporting requirements for performance and financial reports.



### ***Condition***

The Department is funded through a combination of Navajo General Funds and grant funds. The Navajo Nation divides grant reporting duties between grantees and the Office of the Controller (OOC): grantees complete performance reporting and the OOC completes FFRs.

Three grants were randomly selected for review on-site from several binders that contained all grant agreements. Each of the grants selected for testing had unique reporting requirements. For example, two of the grants required annual FFRs while one grant required biannual FFRs. Similarly, the frequency of performance reporting requirements also differed between grants—from quarterly to annual requirements.

The grant with biannual financial reporting requires FFRs to be submitted within 30 days of the reporting period; we found these reports to be in compliance with requirements during the audit period. However, our analysis identified delays in the financial reporting for the two grants with annual FFR requirements. Annual FFRs are due 90 days after the reporting period; both of the annual FFRs requested for testing were submitted within 90 days and therefore were compliant with federal requirements.

Our analysis of the three grants selected for testing revealed that performance reporting included information related to the achievement of KPIs in addition to detailed accounts of activities. In the event that a KPI was not able to be met during the performance reporting timeframe, reports provided explanations including a plan for remediation as applicable. The grant with annual performance reporting requirements submitted reports on time. However, the two grants with quarterly performance reporting did not record the submission dates. Given the level of detail and quarterly analysis in the reports, the Department likely took the time to also submit the reports on time. However, it did not record these submission dates or include the report production date on the performance report itself. Therefore, we were unable to determine whether these performance reports were submitted timely.

### ***Effect***

Without recording performance reporting submission dates to funding agencies, the Department is unable to demonstrate compliance with the grant funding agreement, which may result in penalties up to revocation of funds.

### ***Cause***

One of the grants included in our sample related to the Natural Heritage Program, which recently had a new Program Manager assigned; therefore, the documentation requirements may not reflect new expectations to record performance report submission dates.

### ***Recommendation***

For all performance reporting done by the Department, ensure that documentation is consistently made on the date submitted. The Department should establish a consistent process to recording when reports were submitted to funding agencies by recording the production and submission dates on the report itself or tracking submission dates within the grant binder. This helps to support compliance.





## Purchasing Cards

6.	Finding	The Department did not have complete records to support each p-card issued including a completed p-card application and cardholder agreement; and the Department's purchases made on p-cards do not consistently comply with Procurement Rules and Regulations.
	Recommendation	Ensure compliance with Procurement Rules and Regulations through staff education of the policy, comprehensive recordkeeping, and diligent p-card review and approval processes.

### Criteria

The Navajo Nation has two different types of p-cards: operating p-cards and travel p-cards. In the event that an employee has both types of p-cards issued to them, he or she may have one p-card that serves both functions. According to Navajo Nation Purchase Card Policies, p-card eligibility requirements state that applicants must complete a Purchase Card Application and Cardholder Agreement form.

The Purchasing Card Policy does not place limits on the types of dollar amount of goods that may be purchased through a p-card; however, the Procurement Rules and Regulations provide specific policies related to the purchase of goods that are less than \$5,000, between \$5,000 and \$50,000, and over \$50,000. Procurement Rules and Regulations state that goods costing less than \$5,000 complete a Purchase Requisition signed by the Division Director or other authorized Division personnel, clear the purchase with the Navajo Nation Property Management Department, determine whether goods are available under a current purchase agreement, secure fund encumbrance from the Division of Finance, solicit bids by contacting at least three potential vendors and maintain a log for these bids to record which vendor quoted which price. Bids must be solicited from all Priority status Navajo Certified Vendors for their consideration; if there are no qualified Priority status vendors, the Department must obtain certification from the Business Regulatory Department before obtaining quotations from other non-certified vendors. The Department is expected to attach copies of all quotations to the Purchase Requisition form.

The Navajo Nation Purchase Card Policies state that while p-cards provide a more cost-effective payment method, they are not intended to bypass proper procurement and travel procedures. Although proper procurement procedures may contribute to additional time to ensure compliance with Procurement Rules and Regulations, they exist to ensure that purchasing priority is given to Navajo-approved vendors, leverage blanket purchase agreements, and overall ensure cost-effectiveness of the good purchased.

### Condition

The Department has a total of 54 (p-cards issued to its 61 employees; indicating that nearly all permanent employees have a p-card. Given the scope of the Department's work, this may be appropriate since many employees are often traveling or out in the field in order to conduct their work. In order to evaluate p-card compliance, we received a listing of all p-cards currently in operation at the Department and selected a random sample of 21 p-cards for testing to assess whether forms were on file for the cardholders.



- Seventeen of 21 p-card users tested had a corresponding Purchase Card Application on file, but four did not.
- Seven of 21 p-card users tested had a corresponding Cardholder Agreement Form on file, but 14 did not.

In addition, we selected two random months during the audit period were also selected: January 2018 and July 2019. For each month, we obtained the p-card packet to test for compliance with selected Navajo Nation Purchase Card Policies and Procurement Rules and Regulations including determining if receipts were attached for each transaction, receipts tied to the p-card statement, and that transactions were allowable according to Purchase Card Policies. Due to several issues encountered during this audit, we were unable to complete the planned detailed monthly statement testing for all 21 users. We were able to complete the testing for 12 users, for the months selected, and found the following:

- Several transactions that were less than \$5,000 but that did not comply with Procurement Rules and Regulations for these purchases.
- None of the Purchase Requisition forms reviewed during testing had attached quotation or bid solicitation information, suggesting that the Department did not comply with the Nation's Purchasing Rules and Regulations as it relates to priority status and competitive purchasing.
- Each Purchase Requisition form was signed on the same day as the purchase, which presents challenges in ascertaining whether or not the form was complete in advance of the purchase.
- Analysis of the business purpose for the types of purchases being made, we found that the Department largely furnished at least a portion of the Colorado Ranches Enterprise using a series of individual p-card transactions. Between January 4, 2019 and January 13, 2019, one p-card was used to purchase \$4,275.36 in goods from Walmart and a furniture supplier for mattresses, bed sheets, towels, and other related items. The Purchase Requisitions did not have attached quotations or bid logs, nor did they have documented Business Regulatory Department sign-off to purchase items from non-priority suppliers as is required in the Procurement Rules and Regulations. These items are sufficiently significant that they should have been planned for and followed the proper procedures.
- Several charges were related to employee recognition expenses (several thousand) and staff lunches. Given the Department did not have diligent budget to actual reporting and monitoring available for assessment, we were unable to determine if these types of expenses were approved, and included within, the Department's budget.

### ***Effect***

The Department could not provide documentation to show compliance with the Purchase Card Policies given the application and agreement forms could not be found for several users. Because these forms serve as the basis for demonstrating the appropriate approvals, it is imperative that the Department maintains signed copies of the forms.

The Department made purchases that may not have provided Navajo Preferred Vendor preference or been made as cost-effectively as possible. Given missing information in the Purchase Requisitions, additional steps in the Procurement Rules and Regulations, such as Property Management Department approval and leveraging existing contracts cannot be verified. Given the same day approval of Purchase Requests, the Department cannot substantiate that all purchases made were approved prior to the actual purchase.



### **Cause**

The Department has a large number of p-card users and did not always retain copies of the Purchasing Card Application or Cardholder Agreement. The contracting process is lengthy; therefore, the Department does not always comply with it in order to meet the needs of employees and operations. For example, the Department noted that it often has to make emergency purchases for repairs or fish food at the hatchery. Without expedited purchasing practices, the entire fish hatchery operation could be compromised.

### **Recommendation**

The Department should coordinate with the Purchasing Card Division to ensure both parties have up-to-date copies of all active p-card users' Purchasing Card Applications and Cardholder Agreements. These forms demonstrate that the Department properly authorized each card and appropriately vetted employees prior to providing them with a p-card, and therefore appropriate records should be maintained.

The Department should review p-card practices and ensure compliance with both the Purchasing Card Policy and the Procurement Rules and Regulations. To validate compliance, bid quotes for small good purchases should be attached to the signed purchase requisition included in the p-card packet. Similarly, the Department should educate all operational p-card users about the Procurement Rules and Regulations and how they relate to p-card purchases.

The Department Director should exercise due diligence in approving purchase orders for purchases, ensuring that the Procurement Rules and Regulations were followed. Additionally, the Department's p-card reviewer should exercise similar diligence to ensure all required documentation, including bid solicitations, is complete in the p-card packet prior to approving the report.

### **Contracts**

7.	Finding	We did not identify any instances of noncompliance related to executed contracts with Navajo Nation Procurement Rules and Regulations; however, the Department may not be adhering to contract requirements for items purchased on p-cards.
	Recommendations	<p>A. Maintain all compliance-related documentation related to contracts in contract-specific files.</p> <p>B. Ensure compliance with Procurement Rules and Regulations on purchases of goods and services made through p-cards.</p>

### **Criteria**

Navajo Nation Procurement Rules and Regulations outline specific requirements and procedures to ensure controlled and effective procurement processes. Regulations are defined for goods and services that fall either above or below \$50,000 in value.



The purchase of goods begins with the Department completing the Purchase Requisition form, which must be approved by the Department Director. The Property Management Department must also sign the Purchase Requisition to signify that it does not have supplies/goods to satisfy the procurement. The Program submits the Purchase Requisition to the Division of Finance to verify allowable costs, fund availability, and encumber funds. Once the Purchase Requisition is approved by the Division of Finance, the Program can issue an invitation to bid. The Program and the Purchasing Services Department evaluates the bids and awards the contract to a bidder. Approvals for the contract include the OOC and OAG.

The purchase of services begins with the Program developing a Request for Proposal (RFP) or Request for Statement of Qualification (RSQ) that includes clear descriptions and requirements. The Program evaluates bids and notifies the winner; all awards are contingent upon the execution of a written contract with the Program and awardee that complies with Navajo Nation laws. The Department develops a written contract, which is submitted to the Division of Finance for verification of allowable costs, funds availability, and fund encumbrance. According to the current policy, all contracts must be approved by the Division Director, the OOC and the Office of the Attorney General.

### ***Condition***

The Department establishes contracts for a variety of goods and services to support its operations. In order to identify contracts used by the Department. However, they do not maintain a comprehensive listing of all contracts leveraged by its programs, since most contracting activities are decentralized and managed by each individual program manager. In order to incorporate contracts into our testing, we hand-selected a judgmental sample of five contracts housed in binders maintained by the Department's Administrative Services Officer. We attempted to identify contracts that were identified as high-risk during interviews.

Each of the five contracts included in our sample were for services, two of which exceeded \$50,000 and three of which qualified as small purchases. Of the two contracts that exceeded \$50,000 and qualified as normal service procurements, one was a sole source and the other was advertised in accordance with Procurement Rules and Regulations. The sole source contract was for a long-term study of bighorn sheep, which should be conducted by the same agency year over year to ensure data reliability; therefore, the sole source justification was appropriate. The other contract received one bid in response to the RFP advertisement. Both contracts received the appropriate approvals from the Business Regulatory Office, Division of Finance, and the Office of the Attorney General. Receiving records were also complete.

The remaining three contracts each qualified as small purchases; therefore, an RFP/RSQ was not issued. All contracts received the appropriate approvals from the Business Regulatory Office, Division of Finance, OAG, and Office of the President and Vice President as required by policy. Receiving records were complete, indicating compliance with Procurement Rules and Regulations. Although the documents received did not indicate noncompliance, during our review, some documents were identified as missing, but were later located and provided by the Department.



Based on interviews with staff, we identified some goods and services that we would expect to go through contracting based on the Purchasing Card Policies and Procedures and Procurement Rules and Regulations. For example, staff expressed concerns that delays in the contracting process had significant implications on the Department's ability to feed fish at the hatchery. However, when we searched the contract binders for a fish food contract, we were unable to locate a contract of this nature. The Department reports that it has never been contracted for fish food, but instead purchases fish food through purchase orders which are paid through p-cards. However, depending on the cost of goods purchased, based on the total purchases to a specific vendor or for a specific need accumulated over the year, this may not comply with Procurement Rules and Regulations. We did not locate any Purchase Requisitions during our testing, which was a limitation due to the lack of a comprehensive contract listing.

***Effect***

Not all goods and services are procured in the manner specified in the Procurement Rules and Regulations, which may result in preference of non-Navajo vendors and ineffective competition to ensure the optimal price and quality for purchases of goods and services. Contracts may not be adequately monitored or consistently maintained because a comprehensive contract listing does not exist.

***Cause***

The Department reports that the contracting process is lengthy, and therefore some of its goods and services cannot comply with the Procurement Rules and Regulations due to the immediate need to secure items.

***Recommendation***

The Department should maintain a current contract listing and adequate files to demonstrate compliance with the contracting process.

The Department should ensure that it complies with Procurement Rules and Regulations for all transactions, including p-card purchases. Purchases expected to be made for a specific item over the course of a year should be evaluated, and if the total exceeds the RFP/RFQ threshold, the Department may need to go through the standard procurement process in order to ensure cost-effective pricing is obtained. Refer to finding 6.

**Travel**

<b>8.</b>	<b>Finding</b>	<b>Controls over travel, such as travel approval, justification memos, and submission of itemized receipts were not consistently on file.</b>
	<b>Recommendation</b>	<b>Reinforce appropriate controls to ensure travel is appropriate, approved, and meets expense report requirements.</b>

***Criteria***

The Navajo Nation has established Employee Travel Policies and Procedures that defines reimbursement requirements, requires travel authorizations, and overall ensures prudent travel



arrangements. According to this policy, proposed travel should be submitted on a travel authorization form, approved, and submitted 12 hours prior to departure. Travel expense reports are then submitted within 10 days after the conclusion of each trip, which should also be accompanied by a trip report. All receipts associated with travel must be itemized.

### ***Condition***

The Department conducts work across the Nation, including attending meetings, conducting surveys, testing biological matter in remote locations, responding to calls and complaints, and other numerous activities. As a result, the Department experiences elevated levels of travel in relation to other Navajo Nation departments.

According to available budget documents, the Department budgets over half a million dollars each year for travel purposes. The Department spent \$494,895.61 and \$562,240.33 on travel in FY2018 and FY2019, respectively. These expenditures include fleet amounts associated with assigned vehicles, which constitute a large portion of travel funds.

In order to evaluate compliance with the Nation's Travel Policies and Procedures, we attempted to identify travel using compiled GL detail reports and isolate the transactions related to travel. However, this did not provide an accurate translation of travel dates and amounts when matched with available employee files. As a result, we shifted our approach to travel testing to leverage p-cards in order to identify travel that occurred at the Department. The transition, in addition to paper records, resulted in on-site issues that prevented the audit team from fully completing testing. Of the 10 employees that we reviewed for travel testing, five had travel expense reports for July 2019. Three of the five (60%) did not have travel justification memos and one of the five (20%) received approval for travel after travel had occurred. Throughout our review, we also noted that employees did not always submit itemized receipts for travel expenditures.

### ***Effect***

Travel was not always approved prior to the event and did not always have complete supporting documentation, such as travel justification memos and itemized receipts. Travel justification memos describe the purpose behind the travel, and itemized receipts ensure that only allowable purchases are made and reimbursed. Lack of documentation results in noncompliance with the Nation's Travel Policies and Procedures.

### ***Cause***

The Department conducts a significant amount of travel due to the nature of its work. The Department Director may not always be available to approve travel due to her own travel schedule. Department staff report that travel often occurs on short notice, which does not allow sufficient time to complete justification memos and secure approval 12 hours in advance. The Department maintains files manually and does not have an adequate document management process in place, which further complicates the issue.



### **Recommendation**

Conduct employee refresher training on the appropriate utilization of travel authorizations and expense reports. Employees should be reminded of the requirement to secure approval for travel at least 12 hours in advance. If an employee is unable to get travel approved, he or she should postpone the trip for a later date in order to ensure compliance with the policy. If this is not possible, the Department should determine if there are travel exceptions where documentation of travel emergencies preventing following the required travel policies is permitted and assess what documentation must be made and maintained to support the emergency justification.

Employees should also be reminded of the requirement to provide itemized copies of all receipts submitted for reimbursement on travel p-cards, including the rationale for requiring itemization to check for allowable expenses. The ASO and program managers should ensure these requirements are being met during the approval process.

### **Department Property Management**

9.	<b>Finding</b>	<b>The Department's property inventory is not up to date and does not have complete information.</b>
	<b>Recommendations</b>	<b>A. Implement an asset management system or process and conduct a comprehensive inventory of the Department's property to ensure all necessary items are tagged and appropriately tracked over time.</b> <b>B. Ensure personal property is stored separately from Department property.</b>

### **Criteria**

Inventory, including fixed assets (property) and small assets, represents a significant portion of assets in the Department. Therefore, management needs to know how much property there is and where it is located in order to make effective budgeting, operating, and financial decisions to operate cost-effectively. The Navajo Nation Property Management Department manages property tagging and recording for financial statement purposes; Navajo Nation departments and programs are expected to follow its policies and procedures to ensure all items valued over \$1,000 are tagged, monitored, and dispositioned as needed.

### **Condition**

In order to evaluate the Department's property management activities, we requested a fixed asset listing for each business unit. We compiled these reports, which included 290 fixed asset listing line items, and selected a sample of 29 lines to trace. However, there were limitations to the fixed asset listing that was provided, including:

- Some line items included multiple pieces of property; for example, three calculators, five radios, four HP 460 printers, five Savage .223 rifles, 15 snake tongs (dog-catching equipment).
- Most line items did not include an assigned asset numbers for the item(s) listed; therefore, we were often unable to verify that the item presented was the item on the list.



- According to the Department, the list was outdated and included several items that were likely disposed of.

These limitations apply to our testing and results. Overall, the Department located 18 (62%) of the items on the list, three line items (10%) were partially located, and eight items (28%) were not able to be located. The line items that could not be located included cyber battery backups, handheld radios, calculators, and printers. The Department reported that these items were old and most were likely disposed of.

In addition to tracing items from the fixed asset listing, we also selected a handful of items during a tour of the warehouse and traced them back to the fixed asset listing to assess its completeness and accuracy. None of the five items that we identified could be traced back to the fixed asset listing, including a DFW boat, seven truck winches, and boxes of bullets. We also identified a buzz saw while in the warehouse; staff report that this item was the personal property of a Department employee.

The results of testing demonstrate that the Department's fixed asset listing is unreliable and overall property management controls need improvement.

### ***Effect***

Without reliable information, the Department cannot know the full extent of the quantity, location, condition and value of assets it owns, safeguard assets from physical deterioration, theft, loss, or mismanagement, prevent unnecessary storage and maintenance costs or purchases of assets already owned, or determine the full cost of programs that use these assets. Without effective property management controls in place, the Department has an elevated risk of theft and misuse of resources. Inventory shortages undermine service delivery while excess inventory results in higher costs.

### ***Cause***

The Department reports challenges in working with the Property Management Department to get assets tagged. Several program managers at the Department reported requesting Property Management to tag items on multiple occasions to no avail. The Department does not maintain an independent inventory to track items locations, condition, and asset numbers.

### ***Recommendation***

To support proper property management, the Department must maintain detailed records of produced or acquired property. Detailed asset records are necessary to provide for the physical accountability of property and the efficiency and effectiveness of operations. As such, the Department should consider implementing an inventory management system or reliable process to monitor its inventory independently from the Property Management Department. The Property Management Department should still tag and retain records on the items purchased and possessed by the Department; however, it can reconcile its records to with the Department's records to identify items that require tagging.





The Department's inventory management system should track items that it orders, assign an asset number, define the item's location and/or whether the item is checked out to an employee, and record the item's cost. All current inventory items should be entered into the system following a comprehensive physical inventory of all Department items. Going forward, all new purchases should be entered into the system as well. On an annual basis, the Department's ASO should conduct a physical inventory of all property using the inventory management system.

Modern inventory management systems have a number of functions that may also benefit the Department. For example, the system can track the volume of goods used in order to support accurate future orders and potentially identify abnormalities.

The Department should also refrain from commingling valuable employee personal property with department property. If an employee's personal property has a business purpose at the warehouse, ensure that it is stored in a separate area and labeled. This should only occur on a short-term basis.

## Employee Property

10.	<b>Finding</b>	<b>The Department does not maintain up-to-date property listings or records for when property is returned from employees who left employment with the Department.</b>
	<b>Recommendations</b>	<b>A. Institutionalize the requirement for employees to provide a memo of returned property to the Department upon leaving employment. B. Conduct an inventory of property checked out to employees and compile a comprehensive listing in employee files.</b>

### Criteria

Many Department employees spend time in the field and therefore need to be properly equipped with tools, firearms, protective equipment, cell phones, and specialized equipment such as binoculars and GPS devices. Some property utilized by Department employees has high-dollar value and the ability to inflict harm; therefore, it's imperative that the Department establishes strong controls over employee property management for accountability purposes. As a result, the Department requires sufficient internal controls to ensure employee property is appropriately managed, including compiling a list of property checked out to the employee, regular inventory of assigned equipment, and return processes and documentation.

### Condition

In order to assess the Department's controls over employee property, we selected a sample of 21 employees who were employed during the audit period to obtain assigned property listings from their employee files and then verify the equipment that was checked out to them to test the listing for completeness and accuracy. For employees who were terminated, we tried to identify old property listings to show that property was checked out to the employee and returned to the Department.



Seven employees in our sample were no longer with the Department; five of which lacked documentation demonstrating that property was returned to the Department. Two employees had memos detailing the property that was returned to the Department, which was signed and accepted by the employee's manager. The Department reports that this is a new practice that was recently established to improve its property management practices.

Nine of the employees in our sample did not have a property listing in their employee file; five of these employees actually did not have property checked out to them. Because computer equipment and assigned vehicles are tracked separately in conjunction with other Navajo Nation departments, we assessed individuals with only these two pieces of property as not having property checked out to them. However, four employees that did not have property listings in their employee file did have property checked out to them. Several of these employees had toolboxes attached to their assigned vehicles, which included a number of tools. Another employee had field gear, such as binoculars, daypacks, a compass, and a GPS. Finally, another employee had specialized office equipment that was not noted in their employee file.

Four of the employees in our sample had property listings in their employee file. However, none of these employees submitted evidence of property currently held as requested. Therefore, we were unable to determine the accuracy of their property listings. Most of these employees were within the Animal Control Program, which appeared to conduct a thorough inventory in 2013 and 2015.

### ***Effect***

Property checked out to employees is at a higher risk of not being returned to the Department or misused due to improper tracking and management. Management may order too many supplies or lose track of who is using property.

### ***Cause***

Because the Department operates in small teams, managers tend to keep track of property mentally rather than on paper. A consistent and enforced policy has not been implemented within the Department to ensure property checked out to employees is adequately tracked. The information is spread across multiple areas and in many cases, no physical document exists. The Department does not have an assigned employee that is in charge of managing this process; therefore, accountability for actually tracking property is not clear.

### ***Recommendation***

The Department should complete an inventory of all Department-owned property checked out to employees and revisit these annually during the employee's performance evaluation to ensure the listing is complete, up-to-date, and items do not need to be replaced. A comprehensive policy should be developed and enforced around property management and accountability should be assigned for managing the process of checking in and out property to employees using a centralized database or listing. The Department should also institutionalize the practice of requiring employees who leave the Department to provide a memo to document the return of all department property issued to them. This memo should be signed by both the employee and the employee's manager, who should receive the equipment.



### OBJECTIVE 3

Are personnel practices sufficiently monitored and consistent across all positions?

#### Hiring Practices

<b>11.</b>	<b>Finding</b>	The Department did not maintain complete records of the selection process for hiring employees, and employees began employment prior to final approval from the Navajo Nation Department of Personnel Management (DPM).
	<b>Recommendations</b>	<p><b>A. Ensure all pertinent selection files are maintained to protect the Department from claims of inconsistent hiring practices.</b></p> <p><b>B. Work with DPM to clarify whether approval needs to occur prior to an employee starting work.</b></p>

#### Criteria

The DPM establishes recruitment and selection policies and procedures. According to DPM policy, job vacancies must be advertised for at least 10 days. Employee applications must be complete in order to be considered for selection, including signatures and all required information. During the audit period, DPM conducted a pilot project that allowed approved departments to conduct their own qualification assessment for applicants; however, this privilege was revoked on December 1, 2018. As of that date, DPM must conduct all applicant qualification assessments internally and send the qualified applicants to the Department or Program Manager in priority order (Enrolled Navajos with re-employment preference, enrolled Navajo veterans, other enrolled Navajo applicants, non-Navajo spouses of enrolled Navajos, and then non-Navajos). Program managers conduct interviews to further screen candidates and ultimately select the highest qualified applicant to fill the position. Depending on the nature of the position, background checks may be conducted by the Office of Background Investigations. Following selection, the new employee completes a personnel action form (PAF), which is signed by the Department and forwarded to DPM for final approval.

#### Condition

To evaluate the consistency of hiring practices at the Department, we obtained a listing of personnel that were employed at the Department during the audit period. This listing had two date categories: Date of Entry for the Navajo Nation and Date of Entry for the Department. Because employees can initiate work at the Navajo Nation in other departments and would still be required to complete the application process to transfer, we used the Date of Entry for the Department to calculate each employee's start date. Using this calculation, 31 employees were hired during the audit period. According to our sample size parameters, 16 employees were randomly selected for testing. Testing elements included the date of the job vacancy announcement, date of employee application, qualification assessment date and assignment, interview date and participants, employment offer date, department employment acceptance date, and DPM approval date.



During testing, we discovered that nine of the employees included in the sample were hired prior to the audit period. This occurred because the Date of Entry for the Department often correlated to a step increase or change of address, not necessarily the employee's start date with the Department. We recalculated the number of employees that were hired using the Date of Entry for the Nation during the audit period and found that this equated to 16 employees. We completed testing for 10 total employees.

### ***Employee File Documentation***

Six out of 10 employee files did not include the job vacancy announcement for the open position; therefore, we were not able to calculate the total time required to complete the recruitment process. Additionally, one employee file was missing the employment application, while another employment application was unsigned. According to DPM policy, unsigned applications should be considered incomplete and excluded from subsequent recruitment activities until the application was complete. However, this employee continued in the selection process and was ultimately hired by the Department.

In order to evaluate the consistency of the hiring process across positions, we also assessed qualification assessments and interview documentation. We found that the Department conducted six of the 10 qualification assessments in our sample, which was a practice only in place during the limited period pilot program. The Department complied with the related policy and the four qualification assessments that were completed by DPM occurred after this date. In accordance with Nation practices, the Department schedules interview for qualified applicants and conducts interviews with a panel of existing employees. Interview dates, participants, and notes were located in five of the 10 employee files. One employee file had documentation indicating that an interview was deemed unnecessary because the employee was already working with the Department as a temporary employee. Therefore, four employee files were missing interview documentation that would demonstrate consistency with the Department's hiring practices.

### ***Hiring Process Length***

Although two applications were missing from the 10 employees tested in our sample, we calculated the average, minimum, and maximum days required to hire an employee at the Department. Overall, hiring practices appear to occur within reasonable timeframes; the average time to hire from application receipt to employment offer date was 32.5 days. The quickest hire process was 14 days and the longest was 84 days.

After employees verbally accept employment with the Department, they are required to sign a PAF formally accepting employment. The PAF is signed by the Department Director and then routed to DPM for approval. Although it is not specified in DPM policy, OAG representatives report that the expectation is for DPM to approve employment prior to the employee starting work. However, eight of PAFs were approved by DPM after the employee started work and one PAF was not signed by DPM at all. The Department reports that DPM approval processes are untimely and can result in significant delays that can result in an employee seeking other employment and overall inefficiencies in completing critical work due to vacancies. Evidence from the PAFs included in this sample corroborate that DPM approval takes an average of 20.2 days to complete after the Department approved the applicant's employment. Based on the information gathered from testing, DPM approval could take as few as nine days or as many as 33 days.



### ***Effect***

Without maintaining required files, the Department is not able to demonstrate full compliance with personnel policies. The Department employs workers who have not yet been approved by DPM, rising that employment could be revoked or payroll is not processed on time for the employee.

### ***Cause***

The additional approval of applicants and filing can be time-consuming. The Department struggles with low staffing and therefore needs positions to be filled in a timely manner to support its operations resulting in policies not being consistently followed and documentation not always being made or maintained to support the hiring process.

### ***Recommendation***

The Department should ensure that employee files retain the proper documentation including job vacancy announcements, employment applications, qualification assessment results, and interview documentation. Complete records are vital to reduce the Department's liability and support transparency in decision-making processes that impact employment. Program managers who lead recruitment practices should ensure all appropriate selection files are properly maintained. In the event of litigation or claims of unfair hiring practices, this documentation would protect the Department.

The Department should clarify whether PAFs should be approved by DPM prior to the employee starting work. Given the critical nature of the work and reported difficulties to recruit qualified applicants across all geographic regions of the Nation, the Department may seek an exception to this policy, which should be documented in a memo.

## **Employee Training**

12.	<b>Finding</b>	<b>Most employees receive minimal external trainings to enhance their knowledge, skills, and abilities.</b>
	<b>Recommendation</b>	<b>Develop individualized employee learning plans to identify and address ongoing training needs.</b>

### ***Criteria***

Department staff conduct a variety of specialized and enforcement activities that impact the Navajo Nation community and natural environment. As a result, staff training is necessary to ensure employees are properly equipped to complete their duties in a way that is legal and adheres to industry best practices. Trainings are also valuable to expose employees to new ideas and operational practices that improve job-specific efficiency and effectiveness. Employees are required to maintain copies of training certificates in their employee file.



### ***Condition***

In order to verify the level and type of training that employees receive to support job performance, we randomly selected 21 employees who were employed by the Department during the audit period. However, during testing we learned that two of the employees selected in our sample were terminated prior to the audit period; therefore, our sample looked at training records for 19 employees. Although it is Department policy for employees to maintain training certificates in employee files; five employees' training files were not able to be located within the employee files. Instead, the Department produced these employees' training certificates after a review of missing materials.

Of the 19 employees that were included in our sample, three employees did not receive any training and five employees attended one training between October 2017 and September 2019. The average number of trainings attended during these two year was 2.3, with a minimum of zero and a maximum of seven. Of the trainings included in our sample, 38% were related to soft skills such as communication, team-building, and communication skills; 45% were related to technical skills specific to each employee's position; and the remainder was related to Navajo Nation requirements, such as the Defensive Driving training course. Of particular note are the highly technical trainings attended by the Animal Control Officers within our sample; the Animal Control Program Manager also established a listing of required trainings for all employees within the program.

The Department spent \$19,574.10 and \$18,133.44 on training in FY2018 and FY2019, respectively. This demonstrates a very small portion on the Department's overall budget. Some programs, such as the Natural Heritage Program, did not have any dollars reserved for trainings, potentially due to grant funding restrictions, while other programs such as the Zoo and Colorado Ranches Enterprise spent less than \$500 each year on trainings.

### ***Effect***

Without sufficient training opportunities, the Department cannot take advantage of opportunities to inspire operational efficiency and effectiveness. Staff may be unprepared to manage changing conditions or experience a lack of growth opportunities in their field. Employee trainings is a critical factor in retaining and growing high-performance employees, developing leadership succession, and improving employee morale.

### ***Cause***

Despite these results, Department management reports that it does not harbor concerns that staff are underqualified or unprepared to complete their assigned duties. Given the long tenure of most managers, employees likely receive a significant amount of on-the-job training. Managers also reported that training records in employee files do not provide a full representation of all trainings attended. Some employees are likely not providing training records to their employee file.

### ***Recommendation***

Although management does not feel employees require additional training, employees may wish to attend more training in order to grow and develop their skills. To better support employee growth and job performance, the Department should incorporate annual learning plans as a component of the employee appraisal process. These plans should be developed with input from each employee and their manager and help employees:



- Recognize areas for growth in technical and soft skills
- Identify potential internal or external training opportunities, including trainings, conferences, and certifications
- Envision career progression within the Department

Using learning plans as a guide, the Department should reevaluate its training budgets to support staff learning. For example, some organizations assign a training budget to each employee to ensure everyone receives access to some training opportunities. Other organizations provide program-specific training budgets, which provides managers with greater authority over how training dollars are expended.

The employee's manager should also ensure employees are providing copies of training certifications for their employee file.

## Employee Certifications

13.	<b>Finding</b>	<b>Approximately half of employee certifications as listed on position job descriptions were not able to be located.</b>
	<b>Recommendations</b>	<b>A. Ensure job descriptions for positions are up-to-date and include accurate certification requirements.</b> <b>B. Managers should complete annual certification checks to ensure requirements are met for their employees.</b>

### Criteria

The Department employs a variety of employees that operate in regulated areas. Some employees, such as Animal Control Officers and Wildlife Conservation Officers, also operate in a law enforcement capacity and have the authority to issue citations to enforce rules and regulations. As a result of this unique work, some employees at the Department are required to maintain certifications to demonstrate that they are qualified and competent to conduct their work. Required credentials for each position are included in the related job descriptions and the descriptions below.

### Condition

In order to determine whether Department employees are properly credentialed, we used a listing of employees that require certifications. Using this listing of 29 employees, we pulled a random sample of 16 employees to review for certification. To identify certification requirements, we reviewed job descriptions for each position included in the sample: Kennel Officer, Animal Control Officer, Wildlife Conservation Officer, Wildlife Law Enforcement Manager, Predator Control Agent, and Zookeeper. Upon review of the job description, we found that Zookeepers do not have any certification requirements, so the three employees with this title were eliminated from our sample, reducing our overall testing to thirteen employees.



Overall, our sample had 35 certification requirements. In our analysis of employee file documentation, we found that 13 (37%) certifications were maintained as current, two (6%) were expired, 19 (54%) were missing from employee files, and one (3%) was only partially completed. Certification requirements and results for each position that was a component of testing are listed in greater detail in the following sections.

Over half (54%) of required certifications were not able to be located in employee files. Upon further review, the Department was able to produce two additional certifications.

### ***Kennel Officer***

Kennel Officers are responsible for providing animal care including feeding, monitoring sick, injured, and dangerous animals as well as assisting with vaccinations and minor medical treatments. These employees are also responsible for maintaining shelters in a clean and sanitary condition and working with the public for informational and transactional purposes, such as pet licensing and citations.

According to the job description for this position, Kennel Officers are required to maintain up-to-date First Aid and CPR certifications, in addition to an Animal Control Officer Certificate from the National Animal Control Association Training Academy, Level I, II, and III within one year of hire.

Four Kennel Officers were included in our sample. Of the 12 required certifications, eight were located in employee files and were up to date. Two of the four employees had completed full certification requirements, one had completed partial certification requirements, and one was missing all certifications.

	FIRST AID	CPR	ANIMAL CONTROL OFFICER CERTIFICATE I, II, AND III
<b>Employee A</b>	Yes	Yes	No
<b>Employee B</b>	Yes	Yes	Yes
<b>Employee C</b>	Yes	Yes	Yes
<b>Employee D</b>	No	No	No

### ***Animal Control Officer***

Animal Control Officers enforce ordinances and laws of the Navajo Nation related to problem animals, whether domestic or wild; patrol and investigate animal-related complaints; and issue Navajo Nation animal licenses. Throughout the course of their work, Animal Control Officers may use firearms to control and dispose of animals, immobilize animals using tranquilizer, pick up stray dogs and cats using a variety of devices, and euthanize animals.

According to the job description, Animal Control Officers are required to maintain up-to-date certifications for First Aid; CPR; and Animal Control Officer Certification from the National Animal Control Association Training Academy Level I, II, and III, including Euthanasia Certification, Bite Stick Certification, Chemical Immobilization Certification, and OCAT (Pepper Spray) Certification. As issuers of citations, Animal Control Officers are also required to have Navajo Nation Commissioned Law Enforcement Officer Certification.





Two Animal Control Officers were included in our sample. Of the 16 required certifications, two were up to date, two were expired, 11 were not able to be located in employee files, and one was partially complete. One employee was missing all certifications and one was partially certified.

	EMPLOYEE A	EMPLOYEE B
First Aid	Expired	No
CPR	Expired	No
Animal Control Officer Certificate I, II, and III	I, II Completed	No
Euthanasia	Yes	No
Bite Stick	No	No
Chemical Immobilization	Yes	No
OCAT (Pepper Spray)	No	No
Navajo Nation Commissioned Law Enforcement Officer	No	No

**Wildlife Conservation Officer**

Wildlife Conservation Officers are responsible for patrol and enforcement of wildlife rules and regulations, including investigating violations, filing complains, and issuing warrants. These employees check for proper permits, licenses, and certificates, and may seize illegal fish and wildlife harvests or equipment used by unpermitted parties that are hunting or fishing on Navajo Nation lands.

According to the job description, Wildlife Conservation Officers are required to obtain a US Deputy Game Warden Commission within one year of hire. The Department reports that the job description is incorrect and that the Commission should be for Navajo Nation Game Warden Commission.

Four Wildlife Conservation Officers were included in our sample. Of the four required certifications, three were up to date and one was not able to be located in the employee's file.

	US DEPUTY GAME WARDEN COMMISSION
Employee A	Yes
Employee B	No
Employee C	Yes
Employee D	Yes



### **Wildlife Law Enforcement Manager**

The Wildlife Law Enforcement Manager plans, develops, and manages fish and wildlife law enforcement activities, and oversees the Wildlife Conservation Officers, including instruction on proper law enforcement techniques and procedures. The Wildlife Law Enforcement Manager is responsible for directing investigations of violations of Navajo Nation and federal fish and wildlife laws and regulations, which includes evidence collection, report production, and testifying in court.

According to the job description, the Wildlife Law Enforcement Manager is required to possess a current Arizona or New Mexico Peace Officer Standards and Training (POST) Certification. The incumbent of this position was included in our sample, but evidence of the employee's POST certification was unable to be located in the employee file. The employee later provided evidence of a POST-equivalent certification.

POST CERTIFICATION	
Employee A	Yes-equivalent

### **Predator Control Agent**

Predator Control Agents are responsible for controlling predators and rodents causing significant damage by investigate complaints regarding loss of livestock and destruction of agricultural crops due to depredation. To help control predators, these employees conduct work that may include cyanide devices or other toxic agents, including use of pesticides and firearms.

According to the job description, Predator Control Agents must be certified to use restricted pesticides within one year of employment. However, the Department reports that these employees are no longer required to be certified in this area because they have an informal agreement with the United States Environmental Protection Agency to use alternative methods of treatment rather than restricted pesticides. This information has not been incorporated into the current job description for this position.

Two Predator Control Agents were included in our sample; neither employee was certified to use Restricted Pesticides.

RESTRICTED PESTICIDE CERTIFICATION	
Employee A	No
Employee B	No

### **Effect**

Employees that are not properly certified pose risk to the Department, both in terms of not being able to complete their work safely and effectively, and also from a liability perspective. This could apply to any employee or community complaint, posing elevated risk to the Department.



### ***Cause***

The Department reports that two job descriptions are not up to date and reflect old certification requirements. Additionally, as noted in the employee training finding, employees may not have employee certifications on file with the Department due to a lack of organized and current record-keeping.

### ***Recommendations***

Ensure job descriptions for positions are up to date and include accurate certification requirements. Updating job descriptions also reduces the Department's liability in the event that an adverse employee situation occurs.

The Department should ensure that employees and supervisors are not only aware of certification requirements, but also maintain a copy of up-to-date certifications in their employee file. Maintenance of proper records for certifications of this magnitude reduce liability on the Department's behalf, both from a customer and employee perspective. Managers and supervisors should complete an annual certification check to ensure certification requirements are met. Most certifications must be completed within one year of employment; therefore, an appropriate time to complete these check would be during an employee's annual performance appraisal. Even after an employee's first year of employment, supervisors should continue completing this check to ensure other certifications that expire, such as Defensive Driving, are updated in a timely fashion.

Managers over programs with training requirements should also create a guidance document for employee trainings that new hires can refer to. Guidance should include the certification provider(s), contact information, and proposed schedule to prepare them to meet the requirements.

## **Performance Appraisals**

<b>14.</b>	<b>Finding</b>	<b>A minority of performance appraisals were completed late.</b>
	<b>Recommendation</b>	<b>Ensure managers complete performance appraisals in a timely manner by establishing a tracking system.</b>

### ***Criteria***

According to DPM policy, supervisors are responsible for evaluating employee performance and ensuring annual performance appraisals are submitted by the established due date. The annual performance appraisal period includes 12 months beginning on an employee's anniversary date and each date thereafter. Anniversary dates are defined as the later of either the date of hire or the date of last salary increase due to promotion, reclassification, or transfer. Performance appraisals are to be completed within 30 days of an employee's anniversary date and submitted to DPM within 60 days of an employee's anniversary date.



### Condition

During interviews, staff reported that performance appraisals are often not completed on time, which negatively impacts compensation increases. In order to evaluate the timeliness of employee performance appraisals, we used a listing of all personnel employed during the audit period that included employee start dates to determine which employees were hired at least a year prior to the audit period start date. This ensured that employees within our sample would have available performance appraisals during the audit period. We found 25 employees who met this condition and pulled a sample of 15 employees using our defined sample parameters.

One of the employees within our sample was terminated prior to the beginning of the audit period and was therefore excluded from testing. Within our sample, 13 of 14 employee performance appraisals for 2017 occurred within 30 days of the employee's anniversary date. The one exception to timeliness was due on August 24, 2017, but was signed and completed on January 24, 2020. For 2018 performance appraisals, we found that 11 of 14 were completed within 30 days of the employee's anniversary date. The three performance appraisals that were conducted late were 51, 336, and 432 days after the due date; one of these late performance appraisals belonged to the same employee whose performance appraisal was late in 2017. Each of these employees were from different sections within the Department. This information is depicted in the following tables.

	2017-2018	2018-2019
Appraisals Completed Within 30 Days of Employee's Anniversary Date	13	11
Appraisals Completed After 30 Days of Employee's Anniversary Date	1	3

Late performance appraisals were as follows.

YEAR	DUE DATE	COMPLETION DATE	DAYS LATE
2017	8/24/2017	1/24/2020	883
2018	8/17/2018	7/19/2019	336
	10/10/2018	11/30/2018	51
	8/24/2018	10/30/2019	432

### Effect

Performance evaluations provide valuable feedback to employees that in turn support overall operational productivity and effectiveness. Therefore, it is critical that supervisors ensure their employees receive performance feedback in a timely manner. Performance appraisals also justify step increases and merit pay, which can help motivate employee performance and increase retention.



### ***Cause***

The DPM policy defines employee anniversary dates in a way that results in shifting dates. This can contribute to confusion over the performance appraisal date. Within the sample, two performance appraisals for the same employee were completed over a year late, suggesting that the supervisor may have dismissed the employee's performance appraisal due to forgetfulness or distraction with other tasks.

### ***Recommendation***

Ensure all performance appraisals are completed in a timely manner to support employee performance. Managers should establish calendar reminders and ticklers to remind themselves and their employees of their anniversary date. The performance appraisal process should be initiated 45 days in advance to ensure timely completion.



## **CLIENT RESPONSE**

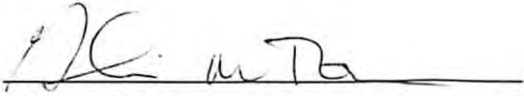
# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT    MYRON LIZER | VICE PRESIDENT



## MEMORANDUM

**TO** : Helen Brown, Principal Auditor/Delegated Auditor General  
**OFFICE OF THE AUDITOR GENERAL**

**FROM** :   
Gloria M. Tom, Department Manager III  
Department of Fish and Wildlife  
**DIVISION OF NATURAL RESOURCES**

**DATE** : April 12, 2021

**SUBJECT** : RESPONSE TO FINAL DRAFT AUDIT REPORT

Attached is the Department of Fish and Wildlife's (DFWL) mark-up of the final, draft report. The Department attempted to complete the review and limit comments to three (03) pages but we were unable to do so because Moss Adams failed to incorporate the majority of our comments on the first draft report from March 2020. Therefore, many of our comments are repetitive from the first draft. Our detailed comments are contained in the attached mark-up. Additionally, in the final draft report, the Department identified the following 3 major over-arching comments:

1. Moss Adams failed to incorporate the Department's comments from the first draft review. Basically the majority of DFWL's comments were ignored and not acknowledged. It is the Department's opinion if Moss Adams had incorporated the majority of our comments, this would have significantly reduced the findings in the final draft report. For example, annual grant funding for the San Juan River Endangered Fish Recovery Program (Wildlife Grant Upper Colorado) from the Bureau of Reclamation is always received 6 months into the Fiscal Year and therefore, any remaining funds are used as carryover for personnel expenses in the following FY. Without this carryover, we would be unable to pay personnel during the first 6 months of the next FY. Receipt of awarded funding is beyond the Department's control and we provided this information in our comments to the first draft. Yet, the conclusion is still implying we are struggling to expend grant funding.
2. Moss Adams lacks intricate knowledge and understanding of Navajo Nation policies and procedures and have applied incorrect conclusions on Department operations; the final draft audit report is not a true representation of the Department and its operations. For example, Finding No. 8 states, "Controls over travel, such as travel approval, justification memos, and submission of itemized receipts were not consistently on file." The Department responded to the first draft report and

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again in the final draft report that up to April 1, 2020, non-pcard holders were not required to submit itemized receipts. This is not acknowledged in the final draft report. This issue overall was found in several of their findings, inaccurately attributing deficiencies in our operations.

3. Many areas of the report contain subjective findings that presents opinions of the Moss Adams Auditors. For example, Finding No. 7 states, "We did not identify any instance of non-compliance, related to executed contracts, with Navajo Nation Procurement Rules and Regulations; however, the Department is likely not be adhering to contract requirement for items purchased on pcard."

Overall, the final draft report is not truly representative of the Department of Fish and Wildlife. The final draft report does not recognize the exceptional operations of the Department and only seeks to find deficiencies and issues with management and operations. The comments provided in the attached mark-up provide a more detailed Department perspective on the final draft report and the comments are too numerous to mention in 3 pages.

If you have any questions or need additional information, please contact me at (928) 871-6450.

cc: Beverly Tom, OAG  
DFWL File  
DFWL Section Supervisors  
DNR