



**NAVAJO NATION
DIVISION OF COMMUNITY DEVELOPMENT**

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Division of Community Development sanctioned by Budget and Finance



Arbin Mitchell, DCD Director, responds to the report from the Office of the Auditor General regarding sanction recommendations. He disagreed the five findings listed in the report were not achieved by the division from the FY 2010 performance audit. Deputy director Stanley Yazzie holds a pie chart illustrating the process and methodology employed by Local Governance Support Centers. (Photo by Rick Abasta)

The Budget and Finance Committee sanctioned the Division of Community Development on Mar. 6 by a vote of 3-2.

The vote was knotted with Danny Simpson (Becenti, Lake Valley, Nahodishgish, Standing Rock, Whiterock, Huerfano, Nageezi, Crownpoint) and Lorenzo Curley (Klagetoh, Wide Ruins, Houck, Lupton, Nahata Dziil) opposing sanction and Nelson Begaye (Lukachukai, Round Rock, Tsaile/Wheatfields, Tse Ch'izhi, Rock Point and Mel Begay (Coyote Canyon, Mexican Springs, Naschitti, Tohatchi, Bahastl'a'a') in support of sanction.

Chairman LoRenzo Bates (T'iistoh Sikaad, Nenahnezad, Upper Fruitland, Tse'Daa' Kaan, Newcomb, San Juan) broke the tie with a green vote for sanctioning the Local Governance Support Centers and DCD for failure to implement their corrective action plan from a performance audit by the Office of the Auditor General.

Arbin Mitchell, director for DCD, likened the sanction to getting the "wrong ticket," because DCD requested for the audit of the LGSC offices in FY 2010, to determine why Local Governance Act certifications were taking such a long time to be conferred upon Navajo Nation chapters.

Instead, the OAG outsourced for a consultant who had no concept of the Navajo Nation government or the chapter system. This auditor's focus strayed from the original intent and instead investigated LGSC processes with DCD.

In that time, DCD has worked closely with available resources like the Department of Justice to craft a standardized Five Management System that was previously the responsibility of the chapters to produce and implement for LGA certification.

The high consultation fees resulted in lengthy certification periods, because most chapters had limited funds and accounting expertise. Only 10 chapters achieved LGA certification in an 11-year period under the oversight of the OAG.

Conversely, DCD and the LGSC offices certified 24 chapters in under a two-year period with the implementation of standardized practices.

Once the uniform FMS manual was created, DCD took the certification process a step further, budgeting funds for outside auditors to provide performance audits of chapters moving toward LGA certification. This fast-track system tripled the certification rate in a year-and-a-half, with 24 chapters receiving certification.

The picture painted at the Mar. 6 Budget and Finance Committee meeting was a far cry from this reality, however.

Sponsoring delegate Dwight Witherspoon (Hard Rock, Forest

"I've always said you're giving me the wrong ticket. I was pulled over for something else and now you're charging me with this sanction."

Lake, Pinon, Black Mesa, Whippoorwill) and acting auditor general Elizabeth Begay maintained DCD did not implement their corrective action plan approved by B&F on April 6, 2010.

Of the original 12 audit findings, OAG said five audit findings were not met.

The supplemental follow-up review of the LGSC corrective action measures was performed by senior auditor Karen Briscoe and auditor Daniel Colello. Briscoe said sufficient improvements were not made with providing services to Navajo Nation chapters.

The first finding in the OAG report stated "The LGSC does not have a standardized management system that is uniform across all five offices in providing services to the chapters."

Mitchell disagreed this finding was unresolved because the FMS standardized by the Department of Justice is being utilized across the board at LGSC offices and chapters. Furthermore, LGSC offices spend eight hours or more working with chapters directly, providing technical assistance.

The OAG's data gathering did not include all of the hours LGSC offices accumulated during work with chapters and instead utilized selective reasoning in their calculations.

The most glaring omission, perhaps, is the fact that LGSC offices have assisted and certified 24 chapters in receiving LGA certification within the time frame of 1.5 years, in comparison to the 10 chapter certifications completed by the OAG in 11 years.

The second finding stated, “The LGSC does not have a system of assuring technical expertise and continuous improvement in the LGSC employees in the FMS.”

Again, Mitchell disagreed this finding was unresolved because staff at the LGSC are in fact subject matter experts and have been deemed qualified upon applying for employment by the Department of Personnel Management.

Finding three stated, “The LGSC is organized in a hierarchical model in which LGSC interacts with the chapters in an authoritative role.”

This finding again, is unfounded. The agency offices were established in accordance with the LGA and the responsibilities of staff only grew since the enactment of Title 26 of the Navajo Nation Code.

Amendments to the LGA are currently being reviewed for codification, as are revisions to the LGSC plan of operation, reflecting added duties and responsibilities and mirroring the LGA amendments.

DCD has also allocated additional funds to build capacity at the LGSC offices. “We nearly \$1 million at the central level and sent that money to the LGSC offices, along with staff,” Mitchell said. The restructuring and reorganization will be reflected in the FY 2013 budget.

Finding five stated, “Dissatisfaction was expressed over the operation of LGSC due to the low number of certified chapters and the high number of sanctioned chapters.”

The fact that 24 chapters became LGA certified in less than two years time is proof positive this finding has been resolved. Especially when contrasted against the 10 chapters previously certified by OAG in 11 years time.

Working with chapters requires diplomacy and expertise in accounting and technical assistance.

The bad ratings from chapters with regard to LGSC offices can easily be attributed to most chapters’ refusal to be “micro-managed.” However, LGSC staff is charged with the responsibility of monitoring chapters in addition to providing technical assistance and support toward LGA certification.

The delicate dance between LGSC offices and chapters will continue, however, with many of the concerns from the audit addressed through amendments in the LGA. Working with Navajo Nation chapters is like working with 110 different governments, Mitchell said, and a responsibility DCD has shouldered since the inception of the LGA.



Sponsoring the legislation for sanction of the Local Governance Support Centers was delegate Dwight Witherspoon. Witherspoon provided opening remarks before the report from the Office of the Auditor General. (Photo by Rick Abasta)



Council delegate Lorenzo Curley questioned whether the report from the Office of the Auditor General was objective. Curley said language in the reporting had many subjective comments and views. (Photo by Rick Abasta)



The Budget and Finance Committee determined the Division of Community Development and the Local Governance Support Centers would be sanctioned based on the report from the auditor general. (Photo by Rick Abasta)