

## SUMMARY

The Navajo Nation Office of the Auditor General has conducted a performance audit of the federal-funded Navajo Nation Head Start Program administered by the Navajo Nation Department of Early Childhood Development (DECD).

**FINDING I: DECD can improve in meeting funded enrollment.**

In fiscal year 2005, the DECD was awarded approximately \$30 million in federal grants based on expected enrollment of 4,303 children. However, the DECD had actual enrollment of only 3,825 children, leaving an enrollment short-fall of 478. The DECD could not provide statistical data that could realistically support the enrollment numbers it committed to deliver when applying for federal grants. All indications are that DECD over-stated the number of children it can truly serve and its failure to meet the funded enrollment level may result in disallowance of federal grants related to the under enrollment.

**FINDING II: Head Start teachers need appropriate credentials.**

The DECD is required to employ two paid staff persons, a teacher and a teacher aide or two teachers for each class. In addition, DECD is required to have at least one teacher in each classroom with a degree (associate, baccalaureate, or advanced degree) or a Child Development Associate (CDA) credential or a state certificate equivalent to a CDA. Our review shows 19 of 165 classrooms were operating without teachers. In addition, 44 of the 146 Head Start teachers do not have the minimum credentials required by the Head Start Act.

**FINDING III: DECD can improve in ensuring required services are provided to enrolled children and their families.**

Although the Head Start regulations require the DECD to provide certain services to enrolled children and their families, these services were not provided. Health screening of all enrolled children were not completed within 45 days of their enrollment. In addition, home visits were not conducted for children with excessive absences and the number of days of service to the children fell below the minimum requirement of 128 days per school year. Furthermore, inadequate services were provided to parent policy council members. Failure to implement required services may result in questioned costs related to noncompliance with Head Start regulations.

**Finding IV: Financial and management control systems can improve.**

The DECD did not maintain adequate financial and management control systems for accounting, measuring and reporting of the Head Start Program activities. The DECD's poor reporting system and the lack of fiscal monitoring resulted in the loss of unexpended grants. In addition, the DECD did not ensure compliance with the Navajo Nation procurement laws, and the supervisors' lack of knowledge in the proper procedures in issuing disciplinary actions resulted in tens of thousands of dollars in employee settlements.

In addition to the four findings summarized above, the audit report contains recommendations for improving the DECD operations.