

OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A Third Follow-up Review of the Division of Public Safety P-card Purchases Corrective Action Plan Implementation

**Report No. 24-01
November 2023**

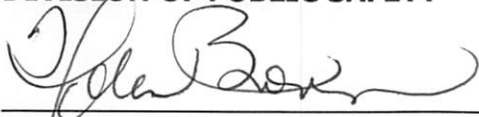
**Performed by:
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Auditor**





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

TO : Michael Anderson, Division Director
DIVISION OF PUBLIC SAFETY

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

DATE : November 8, 2023

SUBJECT : Audit Report No. 24-01, A 3rd Follow-up Review of the Division of Public Safety
P-card Purchases Corrective Action Plan Implementation

BACKGROUND

In 2014, the Office of the Auditor General performed a special review of the Division of Public Safety P-card purchases and issued audit report no. 14-18. A corrective action plan (CAP) was approved by the Budget and Finance Committee (BFC) on December 23, 2014.

In 2018, the Office of the Auditor General conducted a follow-up review on the Division of Public Safety CAP implementation and issued report no. 18-21 which recommended sanctions be imposed on the Division and its Director for failure to fully implement the CAP. The BFC sanctioned the Division Director's salary and operating budget on July 10, 2018.

In August 2019, the Office of the Auditor General conducted the 2nd follow-up review on the Division of Public Safety CAP implementation and issued report no. 19-29. The review found two of four (50%) of the corrective measures were not implemented, therefore the findings remained unresolved.

In January 2023, the former Division Director requested a revisit of their CAP implementation and accordingly the 3rd follow-up review was conducted on the Division of Public Safety CAP implementation.

OBJECTIVE AND SCOPE

The objective of this 3rd follow-up review is to determine whether the Division of Public Safety fully implemented its CAP implementation based on a six-month review period of October 1, 2022 to March 31, 2023. Our methodology included inquiries, review of records and audit test work.

SUMMARY

Overall, the Division of Public Safety reasonably implemented the remaining four corrective measures. Therefore, the applicable findings have been deemed resolved.

Memo to Michael Anderson

Page 2

CONCLUSION

With the implementation of the remaining corrective measures, the Office of the Auditor General lifts the sanctions against the Division of Public Safety. Therefore, the Office of the Controller will release all withheld funds to the Division of Public Safety and the former Division Director in accordance with 12 N.N.C. Section 9.

We wish to thank the Division of Public Safety for assisting in this follow-up review.

xc: Patrick Sandoval, Chief of Staff
OFFICE OF THE PRESIDENT/VICE-PRESIDENT
Sean McCabe, CPA, Interim Controller
Robert Willie, Accounting Manager
OFFICE OF THE CONTROLLER
Chrono

REVIEW RESULTS
Division of Public Safety Corrective Action Plan Implementation
Review Period: October 1, 2022 to March 31, 2023

Audit Issues	Total of Corrective Measures	# of Corrective Measures Implemented	# of Corrective Measures Not Implemented	Audit Issue Resolved?	Review Details
1. Operating charges were inconsistent with procurement rules and regulations.	2	2	0	Yes	Attachment A
2. Travel charges were contrary to travel policies and procedures.	2	2	0	Yes	
TOTAL:	4	4	0	2-Yes 0-No	

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

◆ 2023 STATUS	Issue 1: Operating charges were inconsistent with procurement rules and regulations. RESOLVED
<p>The Division of Public Safety (DPS) provided a 43-minute training video on Navajo Nation P-card and Travel policies and procedures, Procurement rules and regulations, and the Wells Fargo commercial card process. The video was developed in August 2019 with the intent of providing a convenient approach for in-house training to DPS personnel. DPS is in the process of placing the training video on Share Point (a shared website) for DPS cardholders but despite this initiative, DPS was unable to provide documentation on the DPS cardholders who used the training video since its development.</p> <p>On December 16, 2022, the Office of the Controller P-card Section provided training to 25 of 125 (20%) p-cardholders. Prior to this, the P-card Section provided training to DPS cardholders between April 2018 through July 2018 for 189 of 234 cardholders (81%). Due to the Covid-19 pandemic, the P-card Section did not provide training during the Navajo Nation closure from March 2020 to February 2021.</p> <p>For the current review, two operating expenses totaling \$900 were examined and both were incurred in accordance with the Procurement rules and regulations. Further, DPS is now making operating purchases using the Navajo Nation 6B procurement process required by the Office of the Controller. This procurement process involves several layers of review and approval by independent individuals to ensure Navajo Nation operating purchases and/or payments comply with applicable laws and regulations. Consequently, DPS reduced its number of operating p-cards to only two cards.</p> <p>Overall, DPS has obtained training for its p-cardholders and the relies on the standard 6B procurement process to make operating purchases or payments. Therefore, the audit finding was deemed resolved.</p>	
◆ 2023 STATUS	Issue 2: Travel charges were contrary to travel policies and procedures. RESOLVED
<p>For this review, 33 travel authorizations totaling \$7,643 were examined and minimal exceptions were noted:</p> <ul style="list-style-type: none"> • 2 of 65 (3%) expenses were not supported with lodging statement and meal receipts. • 3 of 27 (11%) meal expenses per day were not within the per diem daily limit; the excess amount averaged to \$30. • 3 of 13 (23%) lodging expenses were not within the per diem limit; the excess amount averaged to \$85. • 2 of 65 (3%) travel expenses had incorrect general ledger codes; rather, they were recorded as commercial air fare expenses, instead of lodging expenses. <p>In addition, six of 34 Wells Fargo commercial card packets were examined. Of this number, three packets were not signed as reviewed by the reconciler and/or approver.</p> <p>Despite the minimal exceptions noted, DPS has reasonably improved in its overall compliance with P-card and Travel policies and procedures. Therefore, the audit issue is deemed resolved.</p>	