OFFICE OF INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE

Pre-Audit Survey of the Navajo Nation Foster Grandparent Program Grant No. 339W023-21

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Prepared by:

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Navajo Nation Foster Grandparent Program
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CORPORATION
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SERVICE

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We performed a pre-audit survey of the Navajo Nation Foster Grandparent Program, Grant No. 339W023-21. The primary purpose of this survey was to provide a preliminary assessment of:

- The grant awards and terms;
- Findings from the most recent A-133 audit
- Fiscal or program issues raised by CNCS site visits.

We were also to report on the recommended scope of additional audit procedures to be performed at the Grantee.

Overview of the Navajo Nation

The Navajo Nation is located in the Southwest four corners region. It includes portions of Arizona, New Mexico, Utah and Colorado. The capital of the Navajo Nation is Window Rock, Arizona. The Navajo Nation has a three-branch government system. The President and Vice President head the Executive Branch and are elected by popular vote of tribal members serving terms of four years. A Chief Justice appointed by the President and confirmed by the Navajo Nation Council heads the Judicial Branch. The Navajo Nation Council comprises the Legislative Branch and consists of 88 members elected to four-year terms.

Background

The National and Community Service Trust Act of 1993, P.L. 103-82, which amended the National and Community Service Act of 1990, established the Corporation for National and Community Service.

The Corporation, pursuant to the authority of the Act, awards grants and cooperative agreements to State Commissions, nonprofit entities and tribes and territories to assist in the creation of full and part time national and community service programs. Through these grantees, members perform service to meet the educational, human, environmental, and public safety needs throughout the nation, especially addressing those needs related to poverty. In return for this service, eligible members receive a stipend, accident insurance, personal liability insurance and automobile insurance, free meals at host institutions and physical examinations.

The Navajo Foster Grandparent Program services the entire Navajo Reservation, an area of 27,000 square miles. It reports to the Navajo Area Agency on Aging Department, which in turn reports to the Navajo Division of Health. Under this grant, Foster Grandparents at approximately 124 sites, work with teens and children to provide health services, develop parenting skills, serve children in community day care centers, assist girls in a youth home and service children with various education and health needs.

Objectives, Scope, and Methodology

The scope of this engagement was to provide an assessment of the grant and site visit information systems and procedures in place at the State Office for administering its Foster Grandparent grants and for monitoring fiscal activity. The primary purpose of this pre-audit survey was to provide a preliminary assessment of:

- The amount, term and grant provisions;
- The results of A-133 audits
- Results of CNCS State Office Site Visits.

We were also to report on the recommended scope of additional audit procedures to be performed at the Grantee.

Our survey included the following procedures:

- reviewing the grant award, its provisions, the detailed grant proposal and budget;
- reviewing OMB Circular A-133 reports and;
- obtaining information from and discussions with CNCS State Offices.

Our procedures were performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not, perform an audit of any financial statements, and the procedures described above were not sufficient to express an opinion on the controls at the Grantee, or on its compliance with applicable laws, regulations, contracts and grants, or the allowability of grant costs incurred. Accordingly, we do not express an opinion on any such financial statements, or on the Grantee's controls or compliance. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Results

Based on the results of the limited procedures performed, we will proceed with an incurred cost audit of grant project period April 1, 2001 through March 31, 2002. The decision to audit is based on the following:

- The grant amount is $524,315. This is the twenty-first year the Grantee has received an award.
- The A-133 Audit for Fiscal Year Ended September 30, 1999 resulted in an unqualified opinion with no reportable conditions, material weaknesses or material noncompliance disclosed. However, reportable audit findings were identified.
- Financial Status Reports (FSRs), Progress Reports and responses to site visits are consistently late. The Grantee has been advised of these concerns since at least 1998.
- Site visits report timesheets with one week of estimated time and the appearance of a disproportionate allocation of salaries. The Foster Grandparent Program (FGP) Director did not review and approve expenditures, and 7 out of 10 vouchers reviewed during the site visit revealed unallowable costs treated as allowable expenses. The unallowable expenses include $495 of registration fees charged by persons other than the FPG Director and unreasonable member recognition costs of $2,035. The last indirect rate agreement was executed in 1996.

- Results of Site Visits note no programmatic concerns.

This report is intended solely for the use of the Office of Inspector General and the Corporation for National and Community Service.

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