

Kayenta Chapter Corrective Action Plan **Supplemental 12-Month Follow Up**

Background

Per directive by the Budget and Finance Committee (BFC), the Office of the Auditor General (OAG) conducted a supplemental follow-up review on the Kayenta Chapter. BFC resolution BFJA-08-03 directed the Kayenta Chapter to comply with its corrective action plan. If the Chapter fails to comply with the BFC directive, BFC authorizes the Navajo Nation Controller to execute the sanction against the Chapter pursuant to Title 12 Navajo Nation Code §§ 9(B) and 9(C).

Objective, Scope and Methodology

The supplemental review was conducted to determine whether the Chapter complied with the BFC directive to implement its corrective action plan. To meet our objective, we reviewed Chapter activities for a thirteen-month period beginning February 01, 2003 through February 29, 2004. Our review consisted of inquiry of Chapter staff and review of documents. We reviewed the Chapter's disbursement process by selecting samples of expenditures from the check registers using a non-statistical, judgmental sampling method. In addition, we reviewed the Chapter's progress in implementing its Five Management System.

Review Results

The supplemental review found that the Kayenta Chapter failed to comply with the BFC directive to implement its corrective action plan. As a result, the OAG is reaffirming its previous recommendation to sanction Kayenta Chapter and its officials by the Controller withholding 10% of the Chapter appropriated funds and 20% of the Chapter officials' stipends, pursuant to Title 12 §§ 9(B) and 9(C). OAG recommends LGSC to assist the Chapter in making a committed effort to fully implement the corrective actions to resolve the audit findings. According to Title 12 §§ 9(B) and 9(C), once implementation of the correction action plan is made by the Kayenta Chapter, such compliance will be reported to the Controller who will then release the withheld monies to the Chapter and Chapter officials.