

## SUMMARY

The Navajo Nation Office of the Auditor General conducted a follow-up review of the Sheep Springs Chapter corrective action plan (CAP) implementation. The Budget and Finance Committee (BFC) approved the CAP on September 19, 2006 per resolution no. BFS-44-06 to address the audit findings presented in audit report no. 05-08.

Our CAP follow-up review found:

*Finding I:*

- 42 of 42 corrective measures have been implemented.

*Finding II:*

- 7 of 7 corrective measures have been implemented.

*Finding III:*

- 8 of 9 corrective measures has been implemented, and
- 1 of 9 corrective measures has not been implemented.

Overall, the Sheep Springs Chapter has implemented fifty-seven (57) of fifty-eight (58) corrective measures. One corrective measure has not been fully implemented due to the lack of Chapter resources to acquire proper accounting software. With most of the corrective measures implemented, the Chapter has demonstrated significant improvements to its Five Management System including a more effective accounting system and stronger internal controls. In conclusion, the Office of the Auditor General recommends that sanctions not be imposed on the Sheep Springs Chapter.