

## SUMMARY

The Navajo Nation Office of the Auditor General (OAG) conducted a 90 day follow-up review of the Steamboat Chapter Local Governance Act (LGA) certification review regarding audit report no. 06-06 issued on June 7, 2006.

Our 90 day follow-up review found:

- 4 of 20 corrective measures have been implemented; and
- 8 of 20 corrective measures have not been implemented; and
- 8 of 20 corrective measures are in the process of being implemented

Overall, the Steamboat Chapter has implemented four corrective actions and implementation is in process for eight corrective actions. Eight corrective actions have yet to be implemented. The failure of the chapter to fully implement the corrective measures resulted in the lack of a properly approved operating budget, lack of financial reporting to community members, lack of properly procured goods and services, lack of adequate safeguards over chapter property and equipment, lack of compliance with Internal Revenue Service guidelines, and lack of compliance with restricted fund guidelines. Thus, the Steamboat Chapter's system is not operating effectively and does not meet its intended purpose although the chapter was provided an additional 90 days since the previous report was issued pursuant to TCDCN-94-98 §6 B. The Office of the Auditor General recommends the Budget and Finance Committee to withhold future funding allocations until the deficiencies are corrected.