

## **OFFICE OF THE AUDITOR GENERAL**

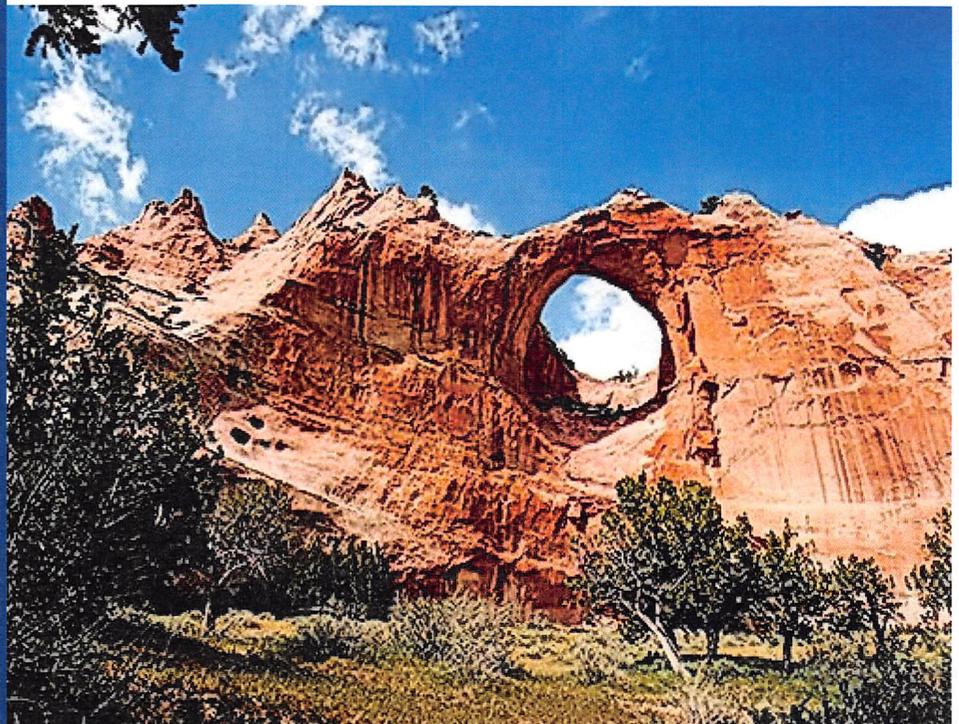
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### **The Navajo Nation**

### **A Follow-Up Review of the Wide Ruins Chapter Corrective Action Plan Implementation**

**Report No. 17-27  
March 2017**

Performed by:  
Karen Briscoe, Principal Auditor  
Myrtis Begay, Associate Auditor



March 31, 2017

Cecil Hubbell, Sr., President  
**WIDE RUINS CHAPTER**  
P.O. Box 208  
Chambers, Arizona 86502

Dear Mr. Hubbell:

The Office of the Auditor General herewith transmits Audit Report No. 17-27, a Follow-up Review of the Wide Ruins Chapter Corrective Action Plan Implementation. The follow-up was conducted in accordance with 12 Navajo Nation Code (N.N.C.) Section 7 to determine the current status of the corrective action plan which was developed by the Wide Ruins Chapter in response to the 2015 audit report no. 15-18. The audit report and the corrective action plan were approved by the Budget and Finance Committee on November 3, 2015, per resolution no. BFN-25-15.

We reviewed the Wide Ruins Chapter's records for the six month period of July 1, 2016 to December 31, 2016. The Corrective Action Plan listed 16 corrective measures to address the six (6) findings reported in the 2015 Audit of the Wide Ruins Chapter.

The Wide Ruins Chapter has implemented 16 of 16 corrective measures (100%). With the corrective measures fully implemented, the Wide Ruins Chapter demonstrated proper accountability of chapter assets and resources. Therefore, the Office of the Auditor General does not recommend sanctions on the Wide Ruins Chapter in accordance with 12 N.N.C. Section 9. See attached Exhibit A for the review results.

Sincerely,



Elizabeth Begay, CIA, CFE  
Auditor General

xc: Louise Nelson, Vice-President  
Bernice A. Wilson, Secretary/Treasurer  
Dorothy Baldwin, Community Services Coordinator  
Carmelita Tsosie, Accounts Maintenance Specialist  
Raymond Smith, Jr., Council Delegate  
**WIDE RUINS CHAPTER**  
Johnny Johnson, Department Manager  
**ADMINISTRATIVE SERVICE CENTER/DCD**  
Chrono

**PRIOR FINDINGS, CORRECTIVE ACTIONS AND CURRENT STATUS**

**Prior Finding I: Housing assistance supporting documents were not obtained for evaluation and ranking, resulting in questionable disbursements.**

<b>Chapter Corrective Actions</b>	<b>Status of Corrective Action</b>
1. Have the chapter staff and chapter officials review and amend; if necessary, the chapter's Housing Discretionary Policy and Procedures and will have the chapter membership adopt the revision of the policy at a duly called regular chapter meeting.	Implemented
2. Up-date the housing assistance application and ranking sheet, so that the committee members and the chapter staff and officials will use it to select the clients, based on needs.	Implemented
3. Orientate the Housing Committee Members on the Policy and Procedures and the Accounts Maintenance Specialist will assist the Housing Committee in advertising and collection of all housing application for review, evaluation and ranking.	Implemented
4. The Housing Committee will have final ranking and approval of the eligible assistance, based on the Housing Policies and Procedures.	Implemented
<b>Audit Issue Resolved? Yes</b>	

**Prior Finding II: Capital outlay funds were used for staff bonuses, travel, office expenses and miscellaneous expense rather than for community improvements and economic development projects.**

<b>Chapter Corrective Actions</b>	<b>Status of Corrective Action</b>
1. All chapter projects will have a separate file with its own timeline, identified clients, expenditures and a project budget that is approved at a duly called regular chapter meeting.	Implemented
2. The Wide Ruins Chapter will comply with the Navajo Nation Council's resolutions. When Capital Outlay and Community Improvement Funds are specified with restrictions, funds will be expended for allowable expenditures with check off list to ensure the approval of the chapter membership. If discretionary are made by the Navajo Nation Council in its allocation,	Implemented

the chapter is in a position to insert its priorities based on its Community Needs Assessments.	
3. All Capital Improvement Funds will not have any line item for chapter operational expenses.	Implemented
<b>Audit Issue Resolved? Yes</b>	

**Prior Finding III: A contractor was paid without going through the bidding process.**

<b>Chapter Corrective Actions</b>	<b>Status of Corrective Action</b>
1. The chapter will follow the Navajo Nation Procurement Policy in the bidding process for procuring the services of contractors and document their nature of work.	Implemented
<b>Audit Issue Resolved? Yes</b>	

**Prior Finding IV: Expenditures were paid even though supporting documents was missing.**

<b>Chapter Corrective Actions</b>	<b>Status of Corrective Action</b>
1. The Chapter Staff will make sure all documents and receiving reports are attached and signed.	Implemented
<b>Audit Issue Resolved? Yes</b>	

**Prior Finding V: The chapter truck was kept idle instead of being used to monitor chapter projects.**

<b>Chapter Corrective Actions</b>	<b>Status of Corrective Action</b>
1. The Chapter Officials and Chapter Staff will develop and implement a Chapter Vehicle Usage Policy.	Implemented
2. The Chapter Officials will monitor and make sure the chapter vehicle is being used for the intended chapter business.	Implemented
<b>Audit Issue Resolved? Yes</b>	

**Prior Finding VI: The Community Services Coordinator has total control over chapter operations.**

Chapter Corrective Actions	Status of Corrective Action
1. The Chapter's Accounts Maintenance Specialist will be preparing state unemployment, IRS and Workers' Compensation forms and will be approved by the Community Services Coordinator.	Implemented
2. The Chapter's Accounts Maintenance Specialist will handle the disbursements by preparing the Fund Approval Forms and getting signatures from the Chapter Secretary/Treasurer and Community Services Coordinator.	Implemented
3. The bank reconciliation will be prepared by the Accounts Maintenance Specialist and will be reviewed and approved by the Community Services Coordinator and Secretary/Treasurer.	Implemented
4. The Chapter Administration and Chapter Officials will carry out their required responsibilities as stated in Title 26 and will be delegated at certain time to carry out their "Delegation of Authority".	Implemented
5. The Chapter Officials will periodically monitor the chapter's financial records, housing recipients folder, capital projects folder and chapter vehicle usage.	Implemented
<b>Audit Issue Resolved? Yes</b>	