OFFICE OF THE AUDITOR GENERAL

The Navajo Nation

A 3rd Follow-Up Review of the Nahodishgish Chapter Corrective Action Plan Implementation

Report No. 25-11
May 2025

Performed by:
Albert Thinn, Associate Auditor
Beverly Tom, Principal Auditor

Office of the Auditor General
The Navajo Nation

Jeanine M. Jones, CFE, MFA
Acting Auditor General

May 2, 2025

Vanessa A. Begay-Lee, President
NAHODISHGISH CHAPTER
P.O. Box 369
Crownpoint, NM 87313

Dear Ms. Begay-Lee:

The Office of the Auditor General herewith transmits audit report no. 25-11, a 3rd Follow-up Review of the Nahodishgish Chapter Corrective Action Plan Implementation.

BACKGROUND

In 2018, the Office of the Auditor General performed a Special Review of the Nahodishgish Chapter and issued audit report 19-06. A corrective action plan (CAP) was developed by the Nahodishgish Chapter in response to the audit. The audit report and CAP were approved by the Budget and Finance Committee on December 3, 2019, per resolution no. BFD-57-19.

In 2023, a follow-up review determined the Chapter did not fully implement the CAP. Of the 14 total corrective measures, the Chapter did not implement 57% of the corrective measures. The Auditor General granted the Nahodishgish Chapter a six-month extension to continue implementing its CAP. Thereafter, the Office of the Auditor General will conduct a 2nd follow-up review to provide an appropriate recommendation in accordance with 12 N.N.C. Section 9 (B) and (C).

In 2024, a 2nd follow-up review was conducted and found the Chapter did not fully implement its CAP. The Chapter did not implement 40% of the corrective measures. The Auditor General recommended only imposing sanctions on the Chapter in accordance with Section 9(B) which would cause ten percent of monies payable from any government fund to be withheld until the CAP is implemented. The Chapter's Council Delegate agreed to sponsor a legislation to approve the recommendation. However, the legislation is still pending at the Office of Legislative Counsel. The Office of the Auditor General reached out to the Chapter and confirmed the remaining corrective measures were addressed. Based on this confirmation by the Chapter, the Office of the Auditor General conducted a 3rd Follow-Up Review.

OBJECTIVE AND SCOPE

The objective of the 3rd follow-up review is to determine whether the Nahodishgish Chapter fully implemented the outstanding corrective measures based on a six-month review period of October 1, 2024 to March 31, 2025.

SUMMARY

Of the 5 outstanding corrective measures, the Nahodishgish Chapter fully implemented 5 (100%) corrective measures. See Exhibit A for the details of our review results.

CONCLUSION

With the full implementation of the CAP, the Nahodishgish Chapter has reasonably resolved the audit findings. Therefore, the Office of the Auditor General rescinds the recommendation for sanctions to be imposed on the Nahodishgish Chapter.

We thank the Nahodishgish Chapter for assisting in this 3rd follow-up review.

Sincerely,

Jeanine Jones, CFE
Auditor General

xc: Vicky Lee, Vice President
Sylvia Morgan, Community Services Coordinator
Danny Simpson, Council Delegate
NAHODISHGISH CHAPTER
Jaron Charley, Department Manager II
Heather Yazzie-Kinlacheeny, Senior Programs & Projects Specialist
ADMINISTRATIVE SERVICE CENTER/DCD
Chrono

Exhibit A

REVIEW RESULTS

Nahodishgish Chapter Corrective Action Plan Implementation

Review Period: October 1, 2024 to March 31, 2025

Audit Issues	Total # of Corrective Measures	# of Corrective Measures Implemented	# of Corrective Measures Not Implemented	*Audit Issue Resolved?*	Review Details
1. Consulting services totaling $44,058 were obtained without a service contract.	5	5	0	**Yes**	Attachment A
TOTAL:	**5**	**5**	**0**	**5 - Yes** **0 - No**	

WE DEEM CORRECTIVE MEASURES: **Implemented** where the program provided sufficient and appropriate evidence to support all elements of the implementation; and **Not Implemented** where evidence did not support meaningful movement towards implementation, and/or where no evidence was provided.

REVIEW RESULTS
Nahodishgish Chapter Corrective Action Plan Implementation
Review Period: October 1, 2024 to March 31, 2025

2025 STATUS	**Consulting services totaling $44,058 were obtained without a service contract.** **RESOLVED**

As of the prior review, the Chapter did not enter into any contractual agreements. However, the Chapter procured trash disposal and wood hauling services. Therefore, these transactions were reviewed against procurement policies for compliance. The services met the requirement of Micro-Purchases of the Navajo Nation Procurement Regulations revised and approved by the Budget and Finance Committee on May 9, 2023.

The Chapter complies with the requirements of Micro-Purchases as follows:

- Services meet the cost of $10,000 or less. The Chapter expended for services as follows:
  - Trash disposal totaling $775
  - Wood hauling totaling $8,609
- Verbal and written quotations were obtained for the wood hauling services.
- Research, experience and costs were used to obtain trash disposal and wood hauling services.

Furthermore, the Priority Listing from Navajo Nation Business Regulatory Department identified one Priority One vendor offering firewood for the public and businesses or chapter houses for the people in need. The Community Services Coordinator stated she did not realize the Priority Listing listed a Priority One vendors. Rather, the Chapter obtained other quotations from non-priority vendors. For the trash disposal service, the Chapter had obtained services from a Priority One vendor for several years and the Community Services Coordinator did not consider while procuring the services if the costs were economical. Upon procuring the services, the Community Services Coordinator found a non-priority local vendor to be more economical in costs and services. It was advised and will be upon the Chapter to ensure the Priority Listing from Navajo Nation Business Regulatory Department are considered as part of procuring for goods and services.

Overall, the Chapter has made improvements in procuring services by ensuring costs and resources are minimized. Therefore, the finding has been reasonably resolved.