



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Budget and Finance Committee receives recommendations from the Auditor General to sanction Bahastl'a'a' Chapter and Naa'tsis'Áán Chapter

WINDOW ROCK – On Tuesday, the Budget and Finance Committee unanimously approved two separate legislations to impose sanctions on Bahastl'a'a' Chapter and chapter officials and to approve a six-month extension for Naa'tsis'Áán Chapter to implement a corrective action plan to avoid sanctions.

Auditor General Elizabeth Begay, stated that a compliance audit of Bahastl'a'a Chapter was conducted in 2011. The audit report and the chapter CAP were approved by the BFC in December 2011.

According to the follow-up report conducted in 2015, the chapter did not resolve 22 of 24 issues reported in the audit report.

The follow-up report demonstrated that chapter travel activities were not properly authorized, financial assistance, personnel files, and payroll were not supported with required documentation, budget changes were not community approved, financial statements were unreliable, unaccounted cash receipts of approximately \$7,900, altered checks totaling \$4,253 paid to the former Community Service Coordinator, and chapter officials were not monitoring chapter activities to ensure accountability of administration.

The Auditor General said chapter internal controls remain deficient due to the previous chapter administrations and recommended sanctions be imposed on the chapter and chapter officials in accordance with 12 N.N.C. Section 9(b) and 9(c) although the chapter has a new administration.

BFC member Council Delegate Tuchoney Slim, Jr. (Bodaway/Gap, Coppermine, K'ai'Bii'To, LeChee, Tonalea/Red Lake) expressed concerned over the term issues of chapter officials during audits and follow-ups.

“How do we address and resolve the changes of chapter officials when a chapter is considered for sanction and how do new chapter officials handle the misconduct of the former administration?” asked Delegate Slim, “We need to fix this problem.”

BCF voted 3-0 to approve the legislation to impose sanctions on Bahastl'a'a Chapter, which includes withholding 10-percent of monies payable to the chapter from any government fund of

the Navajo Nation and withholding 20-percent of any payment prospectively due the chapter officials.

BFC members also addressed a separate legislation seeking to sanction the Naa'tsis'Áán Chapter based on audit conducted in 2013 along with a CAP.

According to the follow-up report from December 2015, the Naa'tsis'Áán Chapter did not fully implement the CAP. The chapter did not resolve 9 of 23 issues reported in the audit report. The chapter remains non-compliant with laws and funding guidelines.

The follow-up report showed a total of \$9,000 in expenditures without community approval, transactions totaling \$12,927 were inaccurately posted, banking policies and procedures were not created, no comprehensive inventory listing, control of Eehaniih Day Celebration funds remains weak, questionable payments to vendors remain outstanding, and lack of monitoring chapter operations, activities, and projects.

Naa'tsis'Áán Chapter requested to have an extension to implement their CAP and to have the Auditor General conduct an additional review because the chapter did not have an Accounts Maintenance Specialist to resolve the audit deficiencies.

“Sanction does not resolve the issues, but it should motivate the chapter to resolve the deficiencies. I will support the extension request if the chapter agrees to pay for the additional review costs,” stated BFC vice chair Council Delegate Dwight Witherspoon (Black Mesa, Forest Lake, Hardrock, Pinon, Whippoorwill).

BCF voted 3-0 to approve the six-month extension for Naa'tsis'Áán Chapter. Failure to implement the CAP would automatically impose the sanctions on September 15, 2016.

Following the meeting, BFC chair Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí', Rock Springs, Tsayatoh) said that the BFC understands the importance of addressing audit findings and the implementation of corrective action plans at the chapter level, adding that he urges chapters who have outstanding CAP's to address them as soon as possible.

The Budget and Finance Committee serves as the final authority for Legislation No. 0306-15 and Legislation No. 0047-16.

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