

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0138-19_____

SPONSOR: Paul Begay

TITLE: AN ACTION RELATING TO RESOURCE AND DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES; ACCEPTING THE FOLLOWING-UP REVIEW OF KAIBETO CHAPTER CORRECTIVE ACTION PLAN IMPLEMENTATION; IMPOSING SANCTIONS FOR NOT IMPLEMENTING THE CORRECTIVE ACTION PLAN

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0138-19

DATE: May 24, 2019

TITLE OF RESOLUTION: PROPOSED STANDING COMMITTEE RESOLUTION; AN ACTION RELATING TO RESOURCES AND DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES; ACCEPTING THE FOLLOW-UP REVIEW OF KAIBETO CHAPTER CORRECTIVE ACTION PLAN IMPLEMENTATION; IMPOSING SANCTIONS FOR NOT IMPLEMENTING THE CORRECTIVE ACTION PLAN

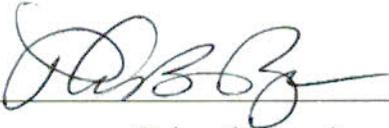
PURPOSE: The purpose of the resolution is to accept the Auditor General's Report, "A Follow-up Review of the Kaibeto Chapter Corrective Action Plan Implementation" (Report No. 19-13, March, 2019). If approved, it will cause ten percent (10%) of monies payable from any governmental fund of the Navajo Nation as defined at 12 N.N.C. § 810 (S) to be withheld after the recommended sanction is approved by the Budget and Finance Committee and issued to Kaibeto Chapter until such time as the Kaibeto Chapter demonstrates to the Auditor General that the corrective action plan has been implemented per 12 N.N.C. § 9(B). If approved, the Navajo Nation Controller shall cause twenty percent (20 %) of the chapter officials stipend payments to be withheld per 12 N.N.C. § 9 (C).

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 2388
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Eligible for Action: 6.5.19

1 PROPOSED STANDING COMMITTEE RESOLUTION
2 24TH NAVAJO NATION COUNCIL -- First Year, 2019

3 INTRODUCED BY

4 
5 _____
6 (Prime Sponsor)

7
8 TRACKING NO. 0138-19

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10 AN ACTION

11 RELATING TO RESOURCES AND DEVELOPMENT AND BUDGET AND
12 FINANCE COMMITTEES; ACCEPTING THE FOLLOW-UP REVIEW OF
13 KAIBETO CHAPTER CORRECTIVE ACTION PLAN IMPLEMENTATION;
14 IMPOSING SANCTIONS FOR NOT IMPLEMENTING THE CORRECTIVE
15 ACTION PLAN

16
17 **BE IT ENACTED:**

18 **SECTION ONE. AUTHORITY**

- 19 A. The Resources and Development Committee serves as the oversight committee for
20 Chapter of the Navajo Nation. 2 N.N.C § 501(C)(1).
21 B. The Auditor General's Plan of Operation, codified in 12 NNC §§ 1-10, provides
22 that "12 months after the release of the audit report, the Auditor General conduct a
23 follow-up to determine the status of implementation [of the corrective action plan.]"
24 12 N.N.C. § 7(G).
25 C. The Budget and Finance Committee is charged with receiving post-audit follow-up
26 reports from the Auditor General. 12 N.N.C §§ 6(B) and 7(H).
27 D. As part of the follow-up report, the Auditor General shall recommend action to be
28 taken by the Budget and Finance Committee and present the report to the standing
29 committee or committees having oversight responsibility for the audited program.
30 12 N.N.C. § 7 (G).

- 1 E. Based on the follow-up review and any recommendations made by the standing
2 committee having oversight responsibility for the audited program, the Budget and
3 Finance Committee will determine what actions should be taken. 12 N.N.C. § 7(I).
- 4 F. The Auditor General Plan of Operation provides for the imposition of sanctions
5 under 12 N.N.C. §§ 9(B) and (C), upon the recommendation of the Auditor General
6 in accordance with 12 N.N.C. § 7(G).
- 7 G. The Auditor General Plan of Operation provides that “[a]ny director or chapter
8 official whose salary or other payments are withheld pursuant to § 9(C) shall have
9 the right to have the withholding reviewed by the Navajo Nation Office of Hearing
10 and Appeals.” 12 N.N.C. § 9(D).

11 12 **SECTION TWO. FINDINGS**

- 13 A. The Auditor General previously conducted an audit of Kaibeto Chapter. The
14 Budget and Finance Committee approved the audit report and the corrective action
15 plan on March 6, 2018 in resolution BFMA-09-18, which is attached as **Exhibit B**.
- 16 B. The Auditor General conducted a follow-up review to determine if the corrective
17 action plan had been implemented. The Auditor General’s report titled, “A Follow-
18 up Review of the Kaibeto Chapter Corrective Action Plan Implementation” (Report
19 No. 19-13, March, 2019) is attached as **Exhibit A**.
- 20 C. The corrective action plan listed eight (8) corrective measures. The Kaibeto
21 Chapter implemented 3 (or 38%) of the corrective measures in the corrective action
22 plan. As a result, the Chapter’s corrective action plan has not been implemented.
- 23 D. The Auditor General recommended sanctions be imposed upon Kaibeto Chapter
24 and its officials in accordance with 12 N.N.C. §§ 9(B) and 9(C). The Budget and
25 Finance Committee is authorized to make the final determination on what actions
26 should be taken.

27 28 **SECTION THREE. ACCEPTANCE AND APPROVAL**

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- 1 A. The Navajo Nation hereby accepts **Exhibit A**, Auditor General’s Report, ”A
2 Follow-up Review of the Kaibeto Chapter Corrective Action Plan Implementation”
3 (Report No. 19-13, March, 2019). .
- 4 B. The Navajo Nation Controller shall cause ten percent (10%) of monies payable
5 from any governmental fund of the Navajo Nation as defined at 12 N.N.C. § 810
6 (S) to be withheld after the recommended sanction is approved by the Budget and
7 Finance Committee and issued to Kaibeto Chapter until such time as the Kaibeto
8 Chapter demonstrates to the Auditor General that the corrective action plan has
9 been implemented per 12 N.N.C. § 9(B).
- 10 C. The Navajo Nation Controller shall cause twenty percent (20 %) of the chapter
11 officials stipend payments to be withheld per 12 N.N.C. § 9 (C).
- 12 D. The chapter officials may appeal the imposition of sanctions immediately in
13 accordance with 12 N.N.C. § 9(D).
- 14 E. The Kaibeto Chapter shall provide proof of implementation of the corrective action
15 plan at which time the Auditor General shall immediately report the compliance to
16 the Controller who shall then release all withheld funds in accordance with 12
17 N.N.C. §§ 9(B) and (C).