

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
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LEGISLATION NO: \_0212-21\_

SPONSOR: Charlaine Tso

**TITLE: An Action Relating to the Resources and Development, and Budget and Finance Committees; Accepting the Special Review of Red Mesa Chapter from the Office of the Auditor General; Approving the Proposed Corrective Action Plan of the Red Mesa Chapter**

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## LEGISLATION SUMMARY SHEET

TRACKING NO. 0212-21

**DATE:** October 8, 2021

**TITLE OF LEGISLATION:** AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT, AND BUDGET AND FINANCE COMMITTEES; ACCEPTING THE SPECIAL REVIEW OF RED MESA CHAPTER FROM THE OFFICE OF THE AUDITOR GENERAL; APPROVING THE PROPOSED CORRECTIVE ACTION PLAN OF THE RED MESA CHAPTER

**PURPOSE OF THIS LEGISLATION:** to accept the Auditor Generals' Audit Report of Red Mesa Chapter, and to accept the Chapter's proposed Corrective Action Plan.

21-372-1

5-DAY BILL HOLD PERIOD: Johnson  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 10-13-21  
Eligible for Action: 10-14-21

1 PROPOSED STANDING COMMITTEE RESOLUTION  
2 24<sup>th</sup> NAVAJO NATION COUNCIL – Third Year, 2021

3 INTRODUCED BY

4 

5 \_\_\_\_\_  
6 (Sponsor)

7  
8 TRACKING NO. 0212-21

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10 AN ACTION

11 RELATING TO THE RESOURCES AND DEVELOPMENT, AND BUDGET AND  
12 FINANCE COMMITTEES; ACCEPTING THE SPECIAL REVIEW OF RED MESA  
13 CHAPTER FROM THE OFFICE OF THE AUDITOR GENERAL; APPROVING  
14 THE PROPOSED CORRECTIVE ACTION PLAN OF THE RED MESA CHAPTER

15  
16 BE IT ENACTED:

17  
18 SECTION ONE. AUTHORITY

- 19 A. The Resources and Development Committee (“RDC”) serves as the oversight committee over  
20 all Navajo Nation Chapters. 2 N.N.C. §501(C)(1).  
21 B. As the oversight committee of Chapters, RDC reviews audit reports and proposed corrective  
22 action plans regarding Chapter financial matters. 12 N.N.C. §7(E).  
23 C. The Budget and Finance Committee (“BFC”) has the authority to review and approve audit  
24 reports of the Auditor General, and corrective action plans proposed by the audited Navajo  
25 Nation program, including Chapters. 12 N.N.C. §6(A) and §7(D).

26  
27 SECTION TWO. FINDINGS

- 28 A. Pursuant to 12 N.N.C §6 the Office of the Auditor General has prepared and submitted a fiscal  
29 review of the Red Mesa Chapter, titled: “A Special Review of Red Mesa Chapter” - Report  
30 No. 19-34 - dated September 2019 (“Audit Report”). **EXHIBIT A.**

1 B. The Red Mesa Chapter responded to the Audit Report in a memorandum to the Auditor  
2 General dated September 27, 2019, specifically addressing the five audit findings in the Audit  
3 Report. **EXHIBIT B.**

4 C. To remedy the Auditor General's five audit findings in the Audit Report, the Red Mesa  
5 Chapter has prepared a Corrective Action Plan, in which the Chapter proposes to cure the  
6 audit findings by a deadline of June 30, 2022. **EXHIBIT C.**

7 D. By Chapter Resolution No. RMC-01-031521, dated March 15, 2021, the Red Mesa Chapter  
8 accepted the Audit Report and the Corrective Action Plan, with a deadline date for completion  
9 of June 30, 2021. **EXHIBIT D.**

10 E. The Budget and Finance Committee has the final authority to approve corrective action plans  
11 proposed in response to audit findings. 12 N.N.C. §7(D).

12  
13 **SECTION THREE. APPROVAL OF AUDIT REPORT AND THE CORRECTIVE**  
14 **ACTION PLAN OF RED MESA CHAPTER**

15 A. The Navajo Nation hereby approves the Audit Report of Red Mesa Chapter, titled: "A Special  
16 Review of Red Mesa Chapter" - Report No. 19-34 - dated September 2019, attached hereto  
17 as **EXHIBIT A.**

18 B. The Navajo Nation hereby approves the Corrective Action Plan submitted by the Red Mesa  
19 Chapter, attached hereto as **EXHIBIT B.**

20  
21 **SECTION FOUR. DIRECTIVES**

22 A. A copy of the Audit Report and Red Mesa Chapter's Corrective Action Plan, as approved in  
23 this legislation, shall be provided to the RDC as part of RDC's oversight responsibility over  
24 Navajo Nation Chapters. 12 N.N.C. §7(E).

25 B. The Red Mesa Chapter shall prepare and submit a written status report on the Chapter's  
26 progress regarding implementation of its Corrective Action Plan. The Red Mesa Chapter shall  
27 submit such report to the Office of the Auditor General no later than six months after the date  
28 of approval of this legislation. 12 N.N.C. §7(F).

29 C. The Office of the Auditor General ("OAG") shall receive and review the Red Mesa Chapter's  
30 status report, shall prepare a memorandum explaining the Auditor General's opinion as to the

1 success of the Chapter's corrective efforts, and shall provide a copy of the Chapter's status  
2 report along with the OAG memorandum to the RDC and the BFC. 12 N.N.C. §7(F).

3 D. Twelve months after the effective date of this legislation the OAG shall conduct a follow-up  
4 review of the Red Mesa Chapter to review and verify the Chapter's implementation of its  
5 Corrective Action Plan. The OAG shall prepare a report on its findings resulting from the  
6 follow-up review, and such report shall include the Auditor General's recommended  
7 sanctions, if any, to be imposed upon the Red Mesa Chapter for failure to implement the  
8 Corrective Action Plan. 12 N.N.C. §7(G).

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10 **SECTION FIVE. EFFECTIVE DATE**

11 This legislation shall become effective pursuant to 2 N.N.C. §221(C).

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13 **SECTION SIX. SAVING CLAUSE**

14 If any provision of this legislation is determined invalid by the Navajo Nation Supreme Court, or  
15 by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, those  
16 provisions of this legislation not determined invalid shall remain the law of the Navajo Nation.