

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0113-22_

SPONSOR: Rickie Nez

TITLE: An Act Relating to the Resources and Development, and Budget and Finance Committee; Accepting the Auditor General's Audit Report of the Upper Fruitland Chapter and Approving the Chapter's Proposed Corrective Action Plan

Date posted: July 7, 2022 at 10:43 AM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0113-22

Date: July 1, 2022

Re: AN ACT RELATING TO THE RESOURCES AND DEVELOPMENT, AND BUDGET AND FINANCE COMMITTEE; ACCEPTING THE AUDITOR GENERAL'S AUDIT REPORT OF THE UPPER FRUITLAND CHAPTER AND APPROVING THE CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN


Purpose of this Legislation:

to accept the Audit Report of the Upper Fruitland Chapter and approve the Chapter's Corrective Action Plan to address the Findings in the Audit.

OLC No. 22-170-1

1 PROPOSED STANDING COMMITTEE RESOLUTION
2 24th NAVAJO NATION COUNCIL - Fourth Year, 2022

3 Introduced by:

4 
5 _____
6 P. DeAbas
(Sponsor)

7
8 Tracking No. 0113-22

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10 AN ACT
11 RELATING TO THE RESOURCES AND DEVELOPMENT, AND BUDGET
12 AND FINANCE COMMITTEE; ACCEPTING THE AUDITOR GENERAL'S
13 AUDIT REPORT OF THE UPPER FRUITLAND CHAPTER AND APPROVING
14 THE CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN

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16 **BE IT ENACTED:**

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18 **SECTION ONE. AUTHORITY**

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

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28 **SECTION TWO. FINDINGS**

- 29 A. Pursuant to 12 N.N.C §6 the Office of the Auditor General has prepared a fiscal review of
30 the Upper Fruitland Chapter, titled: "Internal Audit of the Upper Fruitland Chapter" - Report

1 No. 21-23 - dated December 2021 (“UFC Audit”). The UFC Audit is attached hereto as
2 **EXHIBIT A.**

3 B. The Upper Fruitland Chapter responded to the UFC Audit with a letter accepting the UFC
4 Audit. The Chapter’s letter, dated September 24, 2021, is attached hereto as **EXHIBIT B.**

5 D. The Chapter has prepared a detailed Corrective Action Plan that it submitted to the Auditor
6 General, which addresses the findings in the UFC Audit. In the Corrective Action Plan the
7 Chapter proposes to cure the UFC Audit Findings by October 31, 2022. The Corrective
8 Action Plan is attached hereto as **EXHIBIT C.**

9 E. In Resolution No. FRUI-2022-04-276 the Chapter acknowledges the Findings in the UFC
10 Audit and specifically approves the Chapter’s proposed Corrective Action Plan to address
11 the Findings. **EXHIBIT D.**

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13 **SECTION THREE. ACCEPTING THE AUDITOR GENERAL’S AUDIT REPORT OF**
14 **THE UPPER FRUITLAND CHAPTER AND APPROVING THE**
15 **CHAPTER’S PROPOSED CORRECTIVE ACTION PLAN**

16 A. The Navajo Nation hereby accepts the Auditor General’s fiscal review of the Upper Fruitland
17 Chapter titled: “Internal Audit of the Upper Fruitland Chapter” - Report No. 21-23, dated
18 September 2021, attached as **EXHIBIT A.**

19 B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Upper
20 Fruitland Chapter, that was submitted to the Auditor General, attached as **EXHIBIT C.** The
21 Corrective Action Plan is approved for use by the Chapter in addressing and resolving the
22 Findings explained in the UFC Audit Report.

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24 **SECTION FOUR. DIRECTIVES**

25 A. The Upper Fruitland Chapter shall prepare and submit a written status report on its progress
26 implementing all tasks set forth in its approved Corrective Action Plan. The Chapter shall
27 submit such report to the Auditor General no later than six months after the effective date of
28 this Act. 12 N.N.C. §7(F).

29 B. The Auditor General shall receive and review the Upper Fruitland Chapter’s six-month status
30 report, shall prepare a memorandum explaining the Auditor General’s opinion about the

1 success of the Chapter's corrective efforts and compliance with its approved Corrective
2 Action Plan during the previous six-month period. The Auditor General shall then promptly
3 submit such memorandum along with the Chapter's status report to the Resources and
4 Development Committee and the Budget and Finance Committee. 12 N.N.C. §7(F).

5 C. Twelve months after the effective date of this Act, the Auditor General shall conduct a
6 follow-up review of the Upper Fruitland Chapter to determine whether or not the Chapter
7 has successfully implemented its approved Corrective Action Plan. The Auditor General
8 shall then promptly prepare its twelve-month report on its findings resulting from the follow-
9 up review. Such report shall include the Auditor General's recommended sanctions, if any,
10 to be imposed upon the Upper Fruitland Chapter for failure to sufficiently implement its
11 Corrective Action Plan. 12 N.N.C. §7(G).

12 D. The Auditor General's follow-up report shall be presented to the Resources and Development
13 Committee and the Budget and Finance Committee. 12 N.N.C. §7(G).

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15 **SECTION FIVE. EFFECTIVE DATE**

16 This Act shall become effective pursuant to 12 N.N.C. §6(A) and §7(D).

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18 **SECTION SIX. SAVING CLAUSE**

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