

THE NAVAJO NATION
LEGISLATIVE BRANCH
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LEGISLATION NO: _0171-22_

SPONSOR: Jimmy Yellowhair

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

Date posted: September 23, 2022 at 4:39PM

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SUMMARY OF PROPOSED LEGISLATION

TrackingNo. 0171-22

Date: September 22, 2022

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

Purpose of this Legislation:

to accept the Audit of the Black Mesa Chapter and the Chapter's proposed Corrective Action Plan.

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

Introduced by:



(Sponsor)

Tracking No. 0171-22

AN ACT

**RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE
AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE
AUDITOR GENERAL’S AUDIT OF THE BLACK MESA CHAPTER AND
APPROVING THE CHAPTER’S PROPOSED CORRECTIVE ACTION PLAN**

BE IT ENACTED:

SECTION ONE. AUTHORITY

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

SECTION TWO. FINDINGS

- A. In accordance with 12 N.N.C. §6, the Office of the Auditor General has prepared a fiscal review of the Black Mesa Chapter, titled: “Internal Audit of the Black Mesa Chapter” -

1 Report No. 21-20 - dated September 2021 (“Audit Report”). This Audit Report is attached
2 hereto as **EXHIBIT A**.

3 B. The Black Mesa Chapter responded with a letter accepting the Audit Report. The Chapter’s
4 letter, dated September 21, 2021, is attached hereto as **EXHIBIT B**.

5 C. The Chapter prepared a detailed Corrective Action Plan that it submitted to the Auditor
6 General on May 4, 2022, which addresses the findings in the Audit Report. In the Corrective
7 Action Plan the Chapter proposes to cure the Audit Report findings by September 30, 2022.
8 The Chapter’s proposed Corrective Action Plan is attached hereto as **EXHIBIT C**.

9 D. In Resolution No. BMC-22-05-065 the Chapter acknowledges the findings in the Audit
10 Report and specifically approves the Chapter’s proposed Corrective Action Plan to address
11 and resolve the findings. Resolution No. BMC-22-05-065 is attached as **EXHIBIT D**.

12
13 **SECTION THREE. ACCEPTING THE AUDITOR GENERAL’S AUDIT OF THE**
14 **BLACK MESA CHAPTER AND APPROVING THE CHAPTER’S**
15 **PROPOSED CORRECTIVE ACTION PLAN**

16 A. The Navajo Nation hereby accepts the Auditor General’s fiscal review of the Black Mesa
17 Chapter titled: “Internal Audit of the Black Mesa Chapter” - Report No. 21-20, dated
18 September 2021, attached as **EXHIBIT A**.

19 B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Black Mesa
20 Chapter that was submitted to the Auditor General on May 4, 2022, attached hereto as
21 **EXHIBIT C**. The Corrective Action Plan is approved for use by the Chapter in addressing
22 and resolving the findings explained in the Audit Report.

23
24 **SECTION FOUR. DIRECTIVES**

25 A. The Black Mesa 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 Black Mesa Chapter’s six-month status
30 report and shall prepare a memorandum explaining the Auditor General’s opinion about the

1 success of the Chapter's corrective efforts and the Chapter's compliance with its approved
2 Corrective Action Plan during the previous six-month period.

3 C. The Auditor General shall then promptly submit such memorandum along with the Chapter's
4 status report to the Resources and Development Committee and the Budget and Finance
5 Committee. 12 N.N.C. §7(F).

6 D. Twelve months after the effective date of this Act, the Auditor General shall conduct a
7 follow-up review of the Black Mesa Chapter to determine whether or not the Chapter has
8 successfully implemented its approved Corrective Action Plan.

9 E. The Auditor General shall then promptly prepare its twelve-month report on its findings
10 resulting from the follow-up review. Such report shall include the Auditor General's
11 recommended sanctions, if any, to be imposed upon the Black Mesa Chapter for failure to
12 sufficiently implement its Corrective Action Plan. 12 N.N.C. §7(G).

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

15
16 **SECTION FIVE. EFFECTIVE DATE**

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

18
19 **SECTION SIX. SAVING CLAUSE**

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