

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0214-22\_

SPONSOR: Pernell Halona

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

***Date posted:*** November 02, 2022 at 6:27 PM

Digital comments may be e-mailed to [comments@navajo-nsn.gov](mailto:comments@navajo-nsn.gov)

Written comments may be mailed to:

**Executive Director  
Office of Legislative Services  
P.O. Box 3390  
Window Rock, AZ 86515  
(928) 871-7586**

**Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.**

**Please note:** This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

**SUMMARY OF PROPOSED LEGISLATION**

Tracking No. 0214-22

Date: November 1, 2022

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

**Purpose of this Legislation:**

to accept the Auditor General's audit of the Tohatchi Chapter and approve the Chapter's Corrective Action Plan.

OLC No. 22-363-1

5-DAY BILL HOLD PERIOD: Johnson  
Website Posting Time/Date: \_\_\_\_\_  
Posting End Date: 11-07-22  
Eligible for Action: 11-08-22

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

3 Introduced by:

4   
5  
6 (Sponsor)

7  
8 Tracking No. 0214-22

9  
10 AN ACTION

11 RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE  
12 AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE  
13 AUDITOR GENERAL'S AUDIT OF THE TOHATCHI CHAPTER AND  
14 APPROVING THE CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN

15  
16 BE IT ENACTED:

17  
18 SECTION ONE. AUTHORITY

19 A. The Resources and Development Committee is the oversight committee for all Navajo  
20 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 issued by the Auditor General, and corrective action plans proposed by audited  
26 Navajo Nation programs, including all Navajo Nation Chapters. 12 N.N.C. §6(A) and §7(D).

27  
28 SECTION TWO. FINDINGS

29 A. In accordance with 12 N.N.C. §6, the Office of the Auditor General has prepared a fiscal  
30 review of the Tohatchi Chapter, titled: "Special Review of the Tohatchi Chapter" - Report

1 No. 20-16 - dated September 2020 (“Audit Report”). This Audit Report is attached hereto as  
2 **EXHIBIT A.**

3 B. The Tohatchi Chapter responded with a letter accepting the Audit Report. The Chapter’s  
4 letter, dated September 22, 2020, 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 August 9, 2022, which addresses the findings in the Audit Report. In the  
7 Corrective Action Plan the Chapter proposes to cure the Audit Report findings by various  
8 dates, including August 31, 2022, September 30, 2022, and December 31, 2022. The  
9 Chapter’s proposed Corrective Action Plan is attached hereto as **EXHIBIT C.**

10 D. In Resolution No. TOH-066-09-2022 the Tohatchi Chapter acknowledges the findings in the  
11 Audit Report and specifically approves the Chapter’s proposed Corrective Action Plan to  
12 address and resolve the findings. Resolution No. BMC-22-05-065 is attached hereto as  
13 **EXHIBIT D.**

14  
15 **SECTION THREE. ACCEPTING THE AUDITOR GENERAL’S AUDIT OF THE**  
16 **TOHATCHI CHAPTER AND APPROVING THE CHAPTER’S**  
17 **PROPOSED CORRECTIVE ACTION PLAN**

18 A. The Navajo Nation hereby accepts the Auditor General’s fiscal review of the Tohatchi  
19 Chapter titled: “Special Review of the Tohatchi Chapter” - Report No. 20-16, dated  
20 September 2020, attached as **EXHIBIT A.**

21 B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Tohatchi  
22 Chapter that was submitted to the Auditor General on August 9, 2022, attached hereto as  
23 **EXHIBIT C.** The Corrective Action Plan is approved for use by the Chapter in addressing  
24 and resolving the findings explained in the Audit Report.

25  
26 **SECTION FOUR. DIRECTIVES**

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

1 B. The Auditor General shall receive and review the Tohatchi Chapter's six-month status report  
2 and shall prepare a memorandum explaining the Auditor General's opinion about the success  
3 of the Chapter's corrective efforts and the Chapter's compliance with its approved Corrective  
4 Action Plan during the previous six-month period.

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

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

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

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

17  
18 **SECTION FIVE. EFFECTIVE DATE**

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

20  
21 **SECTION SIX. SAVING CLAUSE**

22 If any provision of this Action is determined invalid by the Navajo Nation Supreme Court, or  
23 by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, those  
24 provisions of this Action that are not determined invalid shall be the law of the Navajo Nation.  
25  
26  
27  
28  
29  
30