

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0135-23_

SPONSOR: Lomardo Aseret

TITLE: An Action Relating to Resource and Development and Budget and Finance Committees; Accepting the Audit of the Klagetoh Chapter and Approving the Chapter's Proposed Corrective Action Plan

Date posted: June 21, 2023 at 3:44PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0135-23

DATE: June 15, 2023

RE: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES; ACCEPTING THE AUDIT OF THE KLAGETOH CHAPTER AND APPROVING THE CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN

Purpose of this Legislation:

to accept the Auditor General's Audit Report for the Klagetoh Chapter and approve the Chapter's proposed Corrective Action Plan to address the audit findings.

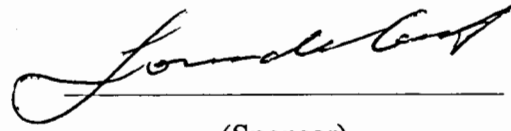
OLC No. 23-235-1

5-DAY BILL HOLD PERIOD: Al McKitt
Website Posting Time/Date: _____
Posting End Date: 06-26-23
Eligible for Action: 06-27-23

Resources & Development Committee
Thence
Budget & Finance Committee

1 PROPOSED STANDING COMMITTEE RESOLUTION
2 25th NAVAJO NATION COUNCIL - First Year, 2023

3 Introduced by:

4 
5 _____

6 (Sponsor)

7
8 Tracking No. 0135-23

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10 AN ACTION
11 RELATING TO THE RESOURCES AND DEVELOPMENT
12 AND BUDGET AND FINANCE COMMITTEES; ACCEPTING
13 THE AUDIT OF THE KLAGETOH 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 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 Klagetoh Chapter, titled: "Internal Audit of the Klagetoh Chapter" - Report

1 No. 22-05 - dated March 2022 (hereinafter referred to as the "Audit Report"). This Audit
2 Report is attached hereto as **EXHIBIT A**.

3 B. The Klageh Chapter responded with a letter regarding the Audit Report. The Chapter's
4 letter, dated March 25, 2022, 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 November 16, 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 September
8 9, 2023. The Chapter's proposed Corrective Action Plan is attached hereto as **EXHIBIT C**.

9 D. In Resolution No. KLA-2212-12/2022, the Klageh Chapter acknowledges the findings in
10 the Audit Report and approves the Chapter's Corrective Action Plan to address and resolve
11 the findings. Resolution No. KLA-2212-12/2022 is attached hereto as **EXHIBIT D**.

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13 **SECTION THREE. ACCEPTING THE AUDIT OF THE KLAGETOH CHAPTER**
14 **AND APPROVING THE CHAPTER'S PROPOSED**
15 **CORRECTIVE ACTION PLAN**

16 A. The Navajo Nation hereby accepts the Auditor General's fiscal review of the Klageh
17 Chapter titled: "Internal Audit of the Klageh Chapter" - Report No. 22-05, dated March
18 2022, attached as **EXHIBIT A**.

19 B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Klageh
20 Chapter that was submitted to the Auditor General on November 16, 2022, attached hereto
21 as **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.

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24 **SECTION FOUR. DIRECTIVES**

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

29 B. The Auditor General shall receive and review the Klageh Chapter's six-month status report
30 and shall prepare a memorandum explaining the Auditor General's opinion about the success

1 of the Chapter's corrective efforts and the Chapter's compliance with its approved Corrective
2 Action Plan during the noted six-month period. 12 N.N.C. §7(F)(2).

3 C. The Auditor General shall then promptly submit such memorandum along with the Klagetoh
4 Chapter's status report to the Resources and Development Committee and the Budget and
5 Finance Committee. 12 N.N.C. §7(F)(2).

6 D. Twelve months after the effective date of this Action, the Auditor General shall conduct a
7 follow-up review of the Klagetoh Chapter to determine whether or not the Chapter has
8 successfully implemented its approved Corrective Action Plan. 12 N.N.C. §7(G).

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 Klagetoh 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); 12 N.N.C. §7(H).

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16 **SECTION FIVE. EFFECTIVE DATE**

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

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19 **SECTION SIX. SAVING CLAUSE**

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