

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0031-24\_

SPONSOR: George Tolth

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

**Date posted: February 01, 2024 at 4:25PM**

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**SUMMARY OF PROPOSED LEGISLATION**

Tracking No. 0031-24

DATE: January 31, 2024

**RE: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE INTERNAL AUDIT OF THE LITTLEWATER CHAPTER AND APPROVING THE LITTLEWATER CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN**

**PURPOSE OF THIS LEGISLATION:**

to approve the Audit of the Littlewater Chapter and the Chapter's Corrective Action Plan.

**FINAL AUTHORITY and VOTE REQUIREMENT:**

The Budget and Finance Committee has final authority over this resolution. This resolution must be approved by a simple majority vote.

OLC No. 24-034-1

5-DAY BILL HOLD PERIOD At Mike III  
Website Posting Time/Date \_\_\_\_\_  
Posting End Date: 02-06-24  
Eligible for Action: 02-07-24

Resources & Development Committee  
Thence  
Budget & Finance Committee

1 PROPOSED STANDING COMMITTEE RESOLUTION  
2 25<sup>th</sup> NAVAJO NATION COUNCIL - Second Year, 2024

3 Introduced by:

4   
5  
6 (Sponsor)

7  
8 Tracking No. 0031-24  
9

10 AN ACTION

11 RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE  
12 AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE  
13 INTERNAL AUDIT OF THE LITTLEWATER CHAPTER AND APPROVING  
14 THE LITTLEWATER CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN  
15

16 BE IT ENACTED:

17  
18 SECTION ONE. AUTHORITY

- 19 A. The Resources & Development Committee is the oversight committee for all 110 Navajo  
20 Nation Chapters. 2 N.N.C. §501(C)(1).  
21 B. As the oversight authority for Chapters, the Resources & Development Committee reviews  
22 audit reports and proposed corrective action plans regarding Chapter financial matters. 12  
23 N.N.C. §7(E).  
24 C. The Budget & Finance Committee has the final authority to review and approve audit reports  
25 issued by the Auditor General, as well as proposed corrective action plans. 12 N.N.C. §6(A)  
26 and §7(D).  
27

28 SECTION TWO. FINDINGS

- 29 A. In accordance with 12 N.N.C. §6, the Navajo Nation Office of the Auditor General has  
30 provided an internal audit report of the Littlewater Chapter. This 17-page internal audit report

1 is dated June 2023 (hereinafter referred to as "Audit Report"), and is attached hereto as  
2 **EXHIBIT 1**. This Audit Report was prepared by the Auditor General's contracted audit firm,  
3 Heinfeld, Meech & Co. out of Scottsdale, Arizona. **EXHIBIT 2**. The Auditor General's  
4 summary of the findings in the Audit Report is explained in a letter to the Littlewater Chapter  
5 President, dated June 30, 2023. **EXHIBIT 3**.

6 B. The Littlewater Chapter responded with a letter to the Auditor General regarding the Audit  
7 Report. The Chapter's response is dated June 28, 2023 and is attached as **EXHIBIT 4**.

8 C. The Chapter prepared a detailed Corrective Action Plan ("CAP") that was submitted to the  
9 Auditor General on June 30, 2023. The CAP addresses the findings in the Audit Report, and  
10 the Chapter proposes to cure the Audit Report findings by October 2024. The Chapter's  
11 proposed Corrective Action Plan is attached hereto as **EXHIBIT 5**.

12 D. In Resolution No. LITT-10-24-3224, the Littlewater Chapter approves the Chapter's  
13 Corrective Action Plan to address and resolve the findings. Resolution No. LITT-10-24-3224  
14 is attached hereto as **EXHIBIT 6**.

15  
16 **SECTION THREE. ACCEPTING THE AUDIT OF THE LITTLEWATER CHAPTER**  
17 **AND APPROVING THE LITTLEWATER CHAPTER'S**  
18 **PROPOSED CORRECTIVE ACTION PLAN**

19 A. The Navajo Nation hereby accepts the Auditor General's Audit Report of the Littlewater  
20 Chapter dated June 2023, attached hereto as **EXHIBIT 1**.

21 B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Littlewater  
22 Chapter, attached hereto as **EXHIBIT 5**. This Corrective Action Plan is approved for use by  
23 the Littlewater Chapter in addressing and resolving the findings explained in the Audit Report.

24 C. The Littlewater Chapter is expected to resolve the unfavorable findings in the Audit Report no  
25 later than October 31, 2024, which is the projected date proposed by the Chapter in its  
26 Corrective Action Plan.

27  
28 **SECTION FOUR. DIRECTIVES**

29 A. The Littlewater Chapter shall prepare and submit a written status report on its progress at  
30 implementing all tasks set forth in its approved Corrective Action Plan. In compliance with 12

1 N.N.C. §7(F), the Littlewater Chapter shall submit said report to the Office of the Auditor  
2 General no later than six months after the effective date of this Action.

3 B. Pursuant to 12 N.N.C. §7(F)(2), the Office of the Auditor General shall receive and review the  
4 Littlewater Chapter's six-month status report and shall prepare a memorandum explaining the  
5 Auditor General's opinion about the success of the Littlewater Chapter's corrective efforts and  
6 the Chapter's compliance with its approved Corrective Action Plan during the noted six-month  
7 period.

8 C. The Office of the Auditor General shall then promptly submit such memorandum along with  
9 the Littlewater Chapter's status report to the Resources & Development Committee and the  
10 Budget & Finance Committee, in accordance with 12 N.N.C. §7(F)(2).

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

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

18 F. The Auditor General's follow-up report shall be presented to the Resources & Development  
19 Committee and the Budget & Finance Committee. See 12 N.N.C. §7(G); 12 N.N.C. §7(H).

20  
21 **SECTION FIVE. EFFECTIVE DATE**

22 This Action shall become effective pursuant to 2 N.N.C. §221(C), 12 N.N.C. §6(A), and 12  
23 N.N.C. §7(D).

24  
25 **SECTION SIX. SAVING CLAUSE**

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