

THE NAVAJO NATION
LEGISLATIVE BRANCH
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LEGISLATION NO: _0155-24_

SPONSOR: Amber Kanazbah Crotty

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

Date posted: July 11, 2024 at 8:24PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0155-24

DATE: July 10, 2024

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

PURPOSE OF THIS LEGISLATION:

to approve the Audit Report and Corrective Action Plan for the Cove Chapter.

FINAL AUTHORITY and VOTE REQUIREMENT:

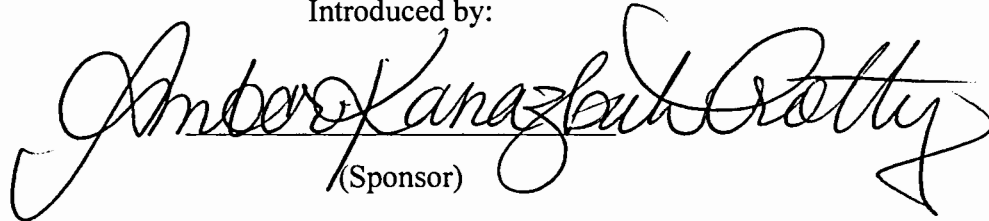
The Budget & Finance Committee has final authority. A simple majority vote is required.

OLC No. 24-310-1

5-DAY BILL HOLD PERIOD
Website Posting Time/Date
Posting End Date: 07-16-24
Eligible for Action: 07-17-24

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

3 Introduced by:

4 
5
6 (Sponsor)

7
8 Tracking No. 0155-24

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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 COVE CHAPTER AND APPROVING THE
14 CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN

15
16 **BE IT ENACTED:**

17
18 **SECTION ONE. AUTHORITY**

- 19 A. The Resources and Development Committee of the Navajo Nation Council is the oversight
20 committee for all 110 Navajo Nation Chapters. 2 N.N.C. §501(C)(1).
21 B. As the oversight authority for Chapters, the Resources and 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 and Finance Committee has the final authority to review and approve audit reports
25 issued by the Auditor General, as well as the approval of proposed corrective action plans to
26 address negative audit findings. 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 Navajo Nation Office of the Auditor General has
30 provided an internal audit report of the Cove Chapter, dated June 2023 (hereinafter referred to

1 as “Audit Report”). **EXHIBIT 1.**

2 B. The Auditor General’s summary of the findings in the Audit Report is set forth in a letter to
3 the Cove Chapter President, dated June 30, 2023. **SubExhibit A.**

4 C. The Cove Chapter responded with a letter to the Auditor General regarding the Audit Report,
5 dated October 24, 2023. **SubExhibit B.**

6 D. Along with this letter, the Chapter provided its detailed Corrective Action Plan (“CAP”) that
7 was submitted to the Auditor General on October 24, 2023. The Chapter’s CAP addresses the
8 findings in the Audit Report, and the Chapter expects to cure the Audit Report’s negative
9 findings by December 31, 2024. The Chapter’s proposed CAP is attached as **SubExhibit B.**

10 E. In Resolution No. COVE-24-035, the Cove Chapter approves the Chapter’s Corrective Action
11 Plan to address and resolve the negative findings in the Audit Report. **SubExhibit B.**

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

16 A. The Navajo Nation hereby accepts the Auditor General’s Audit Report of the Cove Chapter
17 dated June 2023, attached hereto as **EXHIBIT 1.**

18 B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Cove Chapter,
19 attached **SubExhibit B.** This CAP is approved for use by the Cove Chapter in addressing and
20 resolving the negative findings explained in the Audit Report.

21 C. The Cove Chapter is expected to resolve the findings in the Audit Report no later than
22 December 31, 2024, which is the projected date proposed by the Chapter itself in its CAP.

23
24 **SECTION FOUR. DIRECTIVES**

25 A. The Cove Chapter shall prepare and submit a written status report on its progress in
26 implementing all tasks set forth in its approved Corrective Action Plan. In compliance with 12
27 N.N.C. §7(F), the Cove Chapter shall submit said report to the Office of the Auditor General
28 no later than 6 months after the effective date of this Action.

29 B. Pursuant to 12 N.N.C. §7(F)(2), the Office of the Auditor General shall receive and review the
30 Cove Chapter’s 6-month status report and shall prepare a memorandum explaining the Auditor

1 General's opinion about the success of the Cove Chapter's corrective efforts and the Chapter's
2 compliance with its approved CAP during the noted 6-month period.

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

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

9 E. The Office of the Auditor General shall then promptly prepare its 12-month report on its
10 findings resulting from the follow-up review. Such report shall include the Auditor General's
11 recommended sanctions, if any, to be imposed upon the Cove Chapter for failing to sufficiently
12 implement its CAP. See 12 N.N.C. §7(G).

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

16
17 **SECTION FIVE. EFFECTIVE DATE**

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

20
21 **SECTION SIX. SAVING CLAUSE**

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