

THE NAVAJO NATION
LEGISLATIVE BRANCH
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LEGISLATION NO: _0111-25_

SPONSOR: George Tolth

TITLE: An Action Relating to the Resources and Development and Budget and Finance Committees; Accepting Auditor General's Report No. 25-08 Titled "A 2nd Follow-up Review of the Pueblo Pintado Chapter Correction Action Plan Implementation" and Approving the Auditor General's Recommended Sanctions

Date posted: June 09, 2025 at 3:57PM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0111-25

DATE: May 22, 2025

TITLE OF RESOLUTION: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES; ACCEPTING AUDITOR GENERAL'S REPORT NO. 25-08 TITLED "A 2nd FOLLOW-UP REVIEW OF THE PUEBLO PINTADO CHAPTER CORRECTIVE ACTION PLAN IMPLEMENTATION" AND APPROVING THE AUDITOR GENERAL'S RECOMMENDED SANCTIONS

PURPOSE: The proposed resolution will accept Auditor General's Report No. 25-08 titled "A 2nd Follow-Up Review of the Pueblo Pintado Chapter Corrective Action Plan Implementation" and approve the Auditor General's recommended sanctions upon the Pueblo Pintado Chapter.

FINAL AUTHORITY: Budget and Finance Committee

VOTING REQUIREMENT: Simple Majority

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: Al M. Miller
Website Posting Time/Date: 06/09/25 3:57 pm
Posting End Date: 06/14/25
Eligible for Action: 06/15/25

Resources & Development Committee
Thence
Budget & Finance Committee

PROPOSED STANDING COMMITTEE RESOLUTION
25th NAVAJO NATION COUNCIL – Third Year, 2025

INTRODUCED BY:


(Sponsor)

TRACKING NO. 0111-25

AN ACTION
RELATING TO THE RESOURCES AND DEVELOPMENT
AND BUDGET AND FINANCE COMMITTEES; ACCEPTING AUDITOR
GENERAL'S REPORT NO. 25-08 TITLED "A 2nd FOLLOW-UP REVIEW OF THE
PUEBLO PINTADO CHAPTER CORRECTIVE ACTION PLAN
IMPLEMENTATION" AND APPROVING THE AUDITOR GENERAL'S
RECOMMENDED SANCTIONS

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee of the Navajo Nation Council is the oversight committee for all 110 Navajo Nation Chapters. 2 N.N.C. § 501(C)(1).
- B. As the oversight authority for Chapters, the Resources and Development Committee receives chapter audit reports, corrective action plans, and provides its recommendations regarding proposed sanctions upon a Chapter for its failure to fully implement a corrective action plan. 12 N.N.C. § 7 (E), (G), and (I).
- C. Twelve months after the release of an audit report, the Auditor General shall conduct a follow-up review to assess whether the audited Chapter has satisfactorily implemented its corrective action plan. 12 N.N.C. § 7(G).

1 D. The Budget and Finance Committee receives and reviews chapter audit reports,
2 corrective action plans, and post-audit follow-up reports from the Auditor General. 12
3 N.N.C. § 6(A) and § 7 (B)-(I).

4 E. Whenever the Auditor General determines that a program, division, Chapter, enterprise
5 or entity has failed to implement the corrective action plan approved by the Budget and
6 Finance Committee within the timetable set by the corrective action plan or the Auditor
7 General, the Auditor General shall immediately report that failure to the Controller of
8 the Navajo Nation and to the Budget and Finance Committee. 12 N.N.C. § 9(A).

9 F. Pursuant to 12 N.N.C. § 9(A), the Auditor General may recommend that, “[a]s a
10 sanction for failure to implement the corrective action plan, the Controller shall cause
11 ten percent (10%) of monies payable from any governmental fund of the Navajo Nation
12 as defined at 12 N.N.C. § 810(S) to be withheld after the recommended sanction is
13 approved by the Budget and Finance Committee and issued to the program, division,
14 Chapter, enterprise or entity until such time as the program, division, Chapter,
15 enterprise or entity demonstrates to the Auditor General that the corrective action plan
16 has been implemented. Once proof of implementation of the corrective action plan has
17 been demonstrated, the Auditor General shall immediately report this compliance to
18 the Controller who shall then release all withheld funds to the program, division,
19 Chapter, enterprise or entity.”

20 21 **SECTION TWO. FINDINGS**

22 A. In resolution no. BFMY-07-19, the Budget and Finance Committee approved the Audit
23 Report and Corrective Action Plan for the Pueblo Pintado Chapter.

24 B. In accordance with 12 N.N.C. §9 (A), the Auditor General has provided Report No. 25-
25 08 titled “A 2nd Follow-Up Review of the Pueblo Pintado Chapter Corrective Action
26 Plan Implementation” to the Budget and Finance Committee. This report is dated
27 March 2025 (hereinafter referred to as “2nd Review”), and is attached hereto as **Exhibit**
28 **A.**

29 C. According to the 2nd Review, there are 14 of 17 corrective measures that have not been
30 fully implemented causing 3 of 4 audit findings to remain unresolved. Therefore, the

1 Pueblo Pintado Chapter's Corrective Action Plan has not been satisfactorily
2 implemented.

3 D. The Auditor General's summary of findings in the 2nd Review is explained in a letter
4 to the Pueblo Pintado Chapter President, dated March 13, 2025.

5 E. As a result of the Chapter's failure to fully implement its Corrective Action Plan, the
6 Auditor General recommends sanctions upon the Pueblo Pintado Chapter, in
7 accordance with 12 N.N.C. § 9(B), as follows: 10% of all money allocated to the Pueblo
8 Pintado Chapter from any Navajo Nation government fund shall be withheld until the
9 Corrective Action Plan is fully implemented.

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11 **SECTION THREE. ACCEPTING AUDITOR GENERAL'S REPORT NO. 25-08**
12 **TITLED "A 2nd FOLLOW-UP REVIEW OF THE PUEBLO PINTADO CHAPTER**
13 **CORRECTIVE ACTION PLAN IMPLEMENTATION" AND APPROVING THE**
14 **AUDITOR GENERAL'S RECOMMENDED SANCTIONS**

15 A. The Navajo Nation hereby accepts the Auditor General's Report No. 25-08 titled "A
16 2nd Follow-Up Review of the Pueblo Pintado Chapter Corrective Action Plan
17 Implementation" dated March 2025, attached as **Exhibit A**.

18 B. The Navajo Nation hereby approves the Auditor General's recommended sanctions
19 upon the Pueblo Pintado Chapter, in accordance with 12 N.N.C. § 9(B), for its failure
20 to satisfactorily implement the Chapter's Corrective Action Plan approved in BFMY-
21 07-19. Said sanctions are as follows: 10% of all money allocated to the Pueblo Pintado
22 Chapter from any Navajo Nation government fund shall be withheld until the
23 Corrective Action Plan approved in BFMY-07-19 is fully implemented.

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25 **SECTION FOUR. DIRECTIVES**

26 A. Promptly upon the Effective Date of this Action, the Controller shall take immediate
27 steps as necessary and appropriate to implement the sanctions upon the Pueblo Pintado
28 Chapter as set forth herein, and shall provide written notification to the Auditor General
29 regarding such steps taken. 12 N.N.C. § 9(B).

1 B. Pursuant to 12 N.N.C. § 9(B), as soon as the Pueblo Pintado Chapter submits proof of
2 its completion of its Corrective Action Plan to the Auditor General, the Auditor General
3 shall immediately report the Chapter's compliance to the Controller who shall then
4 release all withheld funds to the Pueblo Pintado Chapter.
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6 **SECTION FIVE. EFFECTIVE DATE**

7 This Action shall become effective pursuant to 2 N.N.C. §221(C), 12 N.N.C. §6(A), and
8 12 N.N.C. §7(D).
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10 **SECTION SIX. SAVING CLAUSE**

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