



25TH NAVAJO NATION COUNCIL

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Budget and Finance Committee accepts Chinle Chapter internal audit and corrective action plan



Delegate Shawna Ann Claw acknowledged that current Chinle Chapter officials inherited many of the deficiencies and have since committed time to training and corrective planning.

WINDOW ROCK, Ariz. — On Wednesday, Nov. 12, the Budget and Finance Committee (BFC) voted to accept the internal audit of the Chinle Chapter, conducted by the Office of the Auditor General, and approved the chapter's corrective action plan under Legislation No. 0218-25, sponsored by Council Delegate Shawna Ann Claw.

BFC Chair Shaandiin Parrish emphasized the urgency of responding to audit findings with transparency and structure.

"When internal audits uncover gaps in reporting, procurement, or oversight, those findings deserve immediate attention," Chair Parrish said. "Our goal is to ensure chapters have the tools, training, and accountability systems to protect federal funds, safeguard community trust, and prevent future liabilities. This corrective action plan is a necessary step in that direction."

Auditor General Jeanine Jones reported that the review, covering the 12 months ending May 31, 2024, found failures to meet reporting obligations, unbudgeted purchases outside approved ARPA projects, and repeated procurement and documentation issues. The audit cited missing or inadequate support for several categories of transactions and noted concerns with personnel pay practices.

Council Delegate Amber Kanazbah Crotty raised concerns about the months-long delay between completion of the audit and the chapter's formal response, stressing that such gaps increase risks of federal noncompliance. She questioned whether repayment responsibilities would fall solely to the chapter and whether certified chapters that consistently fail to follow fiscal policies should face decertification. Delegate Crotty also called for stronger oversight from the Administrative Service Centers (ASC).

Jones stated that her office is shifting from six-month corrective action reviews to quarterly monitoring of high-risk chapters, with nearly half of certified chapters currently under corrective action. She highlighted ongoing issues across the Nation involving personnel, procurement, and travel practices.

Controller Sean McCabe clarified that internal audits alone do not trigger federal findings, which come through single audits submitted to the Federal Audit Clearinghouse. He warned that the Nation still has approximately \$370 million in ARPA funds that must be used within federal timelines and that additional monitoring and potential recovery notices are expected as more expenditures are reviewed. McCabe also reiterated that co-mingling federal and local funds increases regulatory risk.

BFC members voiced broader concerns about outdated financial systems, inconsistent procurement enforcement, and limited training for chapter staff. The MIP accounting system was noted as a barrier to accurate reporting at the chapter level.

BFC Vice Chair Carl R. Slater urged clearer legislative direction on procurement requirements under Title 26 and suggested considering updates through separate procurement legislation. He also encouraged better community communication about chapter reporting responsibilities under Subrecipient Agreements.

Delegate Claw acknowledged that current Chinle Chapter officials inherited many of the deficiencies and have since committed time to training and corrective planning. She called for clearer subrecipient agreements and noted that Revenue Replacement Reserve funds may be needed if repayment of ARPA funds is required.

Chinle Chapter Service Coordinator Janelle Jones outlined the chapter's corrective action plan, including strengthened reporting, verification of expenditures, stricter procurement controls, improved asset tracking, and enhanced document retention. The chapter is committed to consistent monthly reporting, completing required federal procurement training, and updating internal control systems as remaining ARPA projects progress.

With a vote of four in favor and none opposed, the Budget and Finance Committee reaffirmed the need for swift implementation, continued oversight, and stronger support across oversight offices. Members emphasized that lessons from the Chinle audit should guide broader financial reforms to protect ARPA investments and strengthen chapter-level accountability nationwide.

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