



25TH NAVAJO NATION COUNCIL

## 25TH NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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**FOR IMMEDIATE RELEASE**

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### **Budget and Finance Committee hears Fiscal Year 2024 single audit report from KPMG LLP**



**The Budget and Finance Committee received the Fiscal Year 2024 Single Audit report from KPMG LLP and the Office of the Controller.**

**WINDOW ROCK, Ariz.** – On Tuesday, the Budget and Finance Committee (BFC) received the Fiscal Year 2024 Single Audit report from KPMG LLP and the Office of the Controller (OOC), outlining 24 findings across 19 Navajo Nation programs that receive federal programs.

The audit identified persistent weaknesses in procurement, allowability, reporting, and internal controls that require immediate corrective action to protect federal funds and strengthen financial accountability within the Navajo Nation.

BFC Chair Shaandiin Parrish emphasized the importance of strengthening oversight across all departments. She reinforced that every program and division that spends federal dollars must follow the law, adhere to policies, and protect the Nation's financial integrity.

KPMG Partner Chris Ray presented the audit results and explained that this year's findings include both new and repeat issues. Eight major programs received qualified audit opinions due to noncompliance with federal requirements. Repeat findings centered on procurement documentation failures, missing cost price analyses, inadequate eligibility tracking, subrecipient monitoring lapses, and incomplete reporting. The audit also noted systemic accounting challenges, including untrue fringe benefit rates, errors in cost allocations, delayed bank reconciliations, and untimely federal reports.

During the discussion, Council Delegate Amber Kanazbah Crotty expressed concern about the growing trend of noncompliance. “Audit findings revealed risks of mismanagement, unauthorized expenditures, and asset misappropriation. That demands stronger internal controls and real accountability. When findings increase year after year, it threatens our financial stability and our credibility with federal partners.”

The OOC outlined contributing factors, including invoice processing delays that cause year-end reporting complications and up to \$50 million in annual adjustments due to timing differences. OOC staff explained that centralizing procurement and implementing the new ERP system will standardize workflows, reduce errors, and eliminate recurring findings tied to documentation and compliance gaps. The procurement policy update, expected by February 2026, will bring the Nation’s rules into alignment with federal Uniform Guidance.

Council Delegate Shaandiin Parrish pressed for internal accountability. She noted that in several instances, programs failed to respond directly to audit inquiries, leaving the Office of the Controller to submit required information on their behalf.

Several delegates also raised concerns about monitoring of subrecipients, particularly chapters. KPMG clarified that although chapters are legally separate entities and not included in the Nation’s consolidated audit, they still require extensive support to meet federal compliance standards. BFC members agreed that stronger training, more consistent oversight, and clear expectations are needed, and that upcoming legislative amendments may need to address structural issues contributing to recurring findings.

Leadership will convene targeted work sessions in December 2025 to address systemic issues, staffing shortages, enterprise oversight, and Inspector General priorities. A special Budget and Finance Committee meeting is scheduled for December 9, 2025, to advance corrective-action legislation.

The Budget and Finance Committee voted three in favor, and none opposed in approving the report. The BFC will continue working with OOC, the Administrative Service Center, and program leadership to reverse the upward trend in audit findings and restore robust internal controls across the Navajo Nation.

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