THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION

LEGISLATION NO: _0050-26__ **SPONSOR: _Danny Simpson_**

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

***Date posted*: __March 05, 2026 at 3:55 PM**

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LEGISLATIVE SUMMARY SHEET
Tracking No. 0050-26

DATE: February 19, 2026

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

PURPOSE: The purpose of this proposed resolution is to accept a special review of the Huerfano Chapter and to approve the Chapter's proposed corrective action plan.

FINAL AUTHORITY: Budget and Finance Committee

VOTE REQUIRED: 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 Miki IR
Website Posting Time/Date:
Posting End Date: 03/10/26
Eligible for Action: 03/11/26

Resources & Development Committee
Thence
Budget & Finance Committee

PROPOSED STANDING COMMITTEE RESOLUTION

25th NAVAJO NATION COUNCIL - Fourth Year, 2026

Introduced by:

(Sponsor)

Tracking No. 0050-26

AN ACTION

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

BE IT ENACTED:

SECTION ONE. AUTHORITY

A. The Resources and Development Committee 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 reviews audit reports and proposed corrective action plans regarding Chapter financial matters. 12 N.N.C. §7(E).

C. The Budget and Finance Committee has the final authority to review and approve audit reports issued by the Auditor General, as well as proposed corrective action plans. 12 N.N.C. §6(A) and §7(D).

SECTION TWO. FINDINGS

A. In accordance with 12 N.N.C. §6, the Navajo Nation Office of the Auditor General provided an internal audit report to the Huerfano Chapter. This report is dated December 2024 (hereinafter referred to as "Audit Report"), and is attached as **Exhibit A**. This Audit Report was prepared by the Office of the Auditor General. The Auditor General's summary of the findings in the Audit Report is explained in a letter to the Huerfano Chapter President, dated December 31, 2024, attached as **Exhibit A**.

B. The Huerfano Chapter responded with a letter to the Auditor General regarding the Audit Report. The Chapter's response is dated December 24, 2024, attached as **Exhibit A,** *See* Tab Client Response.

C. In Resolution HUE-0047-2026, the Huerfano Chapter approves the Chapter's Corrective Action Plan to address and resolve the findings, attached as **Exhibit B**.

D. The Chapter submitted its Resolution and detailed Corrective Action Plan ("CAP") to the Office of the Auditor General on December 23, 2025. The CAP addresses the findings in the Audit Report, and the Chapter proposes to cure the Audit Report findings immediately. The Chapter's proposed Corrective Action Plan is attached as **Exhibit B**.

SECTION THREE. ACCEPTING THE AUDIT OF THE HUERFANO CHAPTER AND APPROVING THE CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN

A. The Navajo Nation accepts the Auditor General's Internal Audit of the Huerfano Chapter dated December 2024, attached as **Exhibit A**.

B. The Navajo Nation approves the Corrective Action Plan proposed by the Huerfano Chapter, attached as **Exhibit B**. This Corrective Action Plan is approved for use by the Huerfano Chapter in addressing and resolving the findings explained in the Internal Audit.

C. The Huerfano Chapter is expected to resolve the unfavorable findings in the Audit Report immediately, which is noted by the Chapter in its Corrective Action Plan.

SECTION FOUR. DIRECTIVES

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

B. Pursuant to 12 N.N.C. §7(F)(2), the Office of the Auditor General shall receive and review the

Huerfano Chapter's six-month status report and shall prepare a memorandum explaining the Auditor General's opinion about the success of the Huerfano Chapter's corrective efforts and the Chapter's compliance with its approved Corrective Action Plan during the noted six-month period.

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

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

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

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