

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: 0174-26

SPONSOR: Lester Yazzie

TITLE: An Action Relating to Resources and Development and Budget and Finance Committees; Accepting the Internal Audit of the Tse'Lichi (Red Rock) Chapter and Approving the Chapter's Proposed Corrective Action Plan

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0174-26

DATE: July 9, 2026

TITLE OF RESOLUTION: AN ACTION RELATING TO RESOURCES AND DEVELOPMENT AND BUDGET AND FINANCE COMMITTEES; ACCEPTING THE INTERNAL AUDIT OF THE TSE'lichii (RED ROCK) CHAPTER AND APPROVING THE CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN

PURPOSE: This legislation, if approved, would accept the Internal Audit conducted by the Office of the Auditor General for the Tse'lichii (Red Rock) Chapter and approve the Chapter's proposed Corrective Action Plan.

FINAL AUTHORITY: Budget and Finance Committee

VOTE REQUIRED: Simple Majority

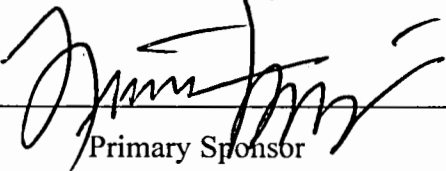
This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD:
Website Posting Time/Date:
Posting End Date: 07-15-26
Eligible for Action: 07-16-26

Resources & Development Committee
Thence
Budget & Finance Committee

PROPOSED STANDING COMMITTEE RESOLUTION
25th NAVAJO NATION COUNCIL—Fourth Year, 2026

Introduced By:


Primary Sponsor

Tracking No. 0174-26

AN ACTION

RELATING TO RESOURCES AND DEVELOPMENT AND BUDGET
AND FINANCE COMMITTEES; ACCEPTING THE INTERNAL AUDIT
OF THE TSE' LICHII (RED ROCK) CHAPTER AND APPROVING THE
CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Resources and Development Committee is a standing committee of the Navajo Nation Council and has legislative oversight for all 110 Navajo Nation Chapters. 2 N.N.C. §§ 500(A) and (C), and 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 is a standing committee of the Navajo Nation Council with the power to act as an Audit Committee of the Navajo Nation government and has final authority to review and approve audit reports issued by the Auditor General, as well as proposed corrective action plans. 2 N.N.C. §§ 300(A) and (C)(6) and 12 N.N.C. § 7(D).

1 **SECTION TWO. FINDINGS**

- 2 A. In accordance with 12 N.N.C. § 6, the Navajo Nation Office of the Auditor General
3 provided an internal audit report to the Tse'Lichii (Red Rock) Chapter, Report No.
4 21-03. This report is dated March 2021 (hereinafter referred to as "Audit Report"),
5 and is attached as **Exhibit A**. This Audit Report was prepared by the Office of the
6 Auditor General. The Auditor General's summary of the findings in the Audit
7 Report is explained in a letter to the Tse'Lichii (Red Rock) Chapter President,
8 dated March 16, 2021, included in **Exhibit A**.
- 9 B. The Tse'Lichii (Red Rock) Chapter responded with a letter to the Auditor General
10 regarding the Audit Report. The Chapter's response is dated June 9, 2025, and is
11 included in **Exhibit A**. See Tab Client Response.
- 12 C. In Resolution RRC-016-2025-040, the Tse'Lichii (Red Rock) Chapter approves the
13 Chapter's Corrective Action Plan ("CAP") to address and resolve the findings in
14 June of 2025, attached as **Exhibit B**.

15
16 **SECTION THREE. ACCEPTING THE AUDIT OF THE TSE'LICHII (RED**
17 **ROCK) CHAPTER AND APPROVING THE CHAPTER'S PROPOSED**
18 **CORRECTIVE ACTION PLAN**

- 19 A. The Navajo Nation accepts the Auditor General's Internal Audit of the Tse'Lichii
20 (Red Rock) Chapter, Report No. 21-03, dated March 2021, attached as **Exhibit A**.
- 21 B. The Navajo Nation approves the Corrective Action Plan ("CAP") proposed by the
22 Tse'Lichii (Red Rock) Chapter, attached as **Exhibit B**. This CAP is approved for
23 use by the Tse'Lichii (Red Rock) Chapter in addressing and resolving the findings
24 explained in the Internal Audit Report.
- 25 C. The Tse'Lichii (Red Rock) Chapter is expected to resolve the unfavorable findings
26 in the Audit Report immediately.

27
28 **SECTION FOUR. DIRECTIVES**

- 29 A. The Tse'Lichii (Red Rock) Chapter shall prepare and submit a written status report
30 on its progress at implementing all task set forth in its approved CAP. In

1 compliance with 12 N.N.C. § 7(F), the Tse'Lichii (Red Rock) Chapter shall submit
2 said report to the Office of the Auditor General no later than six months after the
3 effective date of this Action.

4 B. Pursuant to 12 N.N.C. § 7(F)(2), the Office of the Auditor General Shall receive
5 and review the Tse'Lichii (Red Rock) Chapter's six-month status report and shall
6 prepare a memorandum explaining the Auditor General's opinion about the success
7 of the Tse'Lichii (Red Rock) Chapter's corrective efforts and the Chapter's
8 compliance with its approved CAP during the noted six-month period.

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

13 D. Twelve months after the effective date of this Action, the Office of the Auditor
14 General shall conduct a follow-up review of the Tse'Lichii (Red Rock) Chapter to
15 determine whether or not the Chapter has successfully implemented its approved
16 CAP. *See* 12 N.N.C. § 7(G).

17 E. The Office of the Auditor General shall then promptly prepare its twelve-month
18 report on its findings resulting from the follow-up review. Such report shall include
19 the Auditor General's recommended sanctions, if any, to be imposed upon the
20 Tse'Lichii (Red Rock) Chapter for failing to sufficiently implement its CAP. *See*
21 12 N.N.C. § 7(G).

22 F. The Auditor General's follow-up report shall be presented to the Resources and
23 Development Committee and the Budget and Finance Committee. *See* 12 N.N.C.
24 §§ 7(G) and 7(H).