



25TH NAVAJO NATION COUNCIL

25TH NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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25th Navajo Nation Council receives Controller's report addressing payroll delays, financial system transition and audit concerns



Navajo Nation Controller Sean McCabe reports on the new financial system, payroll delays, outstanding payments and audit updates.

WINDOW ROCK, Ariz. — On Monday, the 25th Navajo Nation Council received a detailed report from Navajo Nation Controller Sean McCabe on the implementation of the Nation's new financial management system, employee payroll delays, outstanding payments and financial audit updates.

During the report, Council delegates raised concerns about the transition from the Financial Management Information System (FMIS) to the new Enterprise Resource Planning (ERP) system and called for greater accountability, timely payments and improved financial oversight.

"Our Navajo Nation employees, chapters, veterans and programs depend on financial systems that are accurate, reliable and accountable," said Speaker Crystalyne Curley. "We recognize the importance of modernizing our government's financial operations, but that transition must not come at the expense of employees receiving their paychecks or communities receiving essential services."

McCabe said the ERP system replaces the Nation's aging FMIS platform with four applications for budgeting, payroll, vital records and financial management. The Office of the Controller oversees financial and supply chain management, while the Department of Human Services oversees Dayforce for payroll and personnel records.

According to McCabe, the new system will cost approximately \$31 million over five years, including \$14 million to \$15 million in implementation expenses. He explained that the previous FMIS system had become increasingly difficult to update and integrate with other financial applications.

Council Delegate Brenda Jesus questioned whether the investment had delivered the promised improvements, particularly after employees experienced delayed direct deposits, incorrect deductions, short payments and discrepancies in leave balances.

McCabe acknowledged that the first payroll processing cycle experienced significant complications. He reported that an initial payroll file contained approximately \$2 million in overstated payments resulting from timesheet errors, requiring corrections before the file could be released.

He explained that the payroll file was transmitted in time for most employees banking with Wells Fargo to receive their deposits Saturday morning. Several hundred employees using other financial institutions experienced additional delays, with deposits arriving Wednesday.

To prevent similar problems, McCabe said payroll files would be released one to two days earlier to allow more time for verification, processing and corrections before employees expect their deposits. Council Delegate Dr. Andy Nez emphasized the importance of providing employees with accessible training and timely assistance. McCabe committed to coordinating additional ERP training, including one-on-one assistance for Navajo Nation Veterans Administration personnel.

McCabe outlined a five-step purchasing and payment process: programs submit electronic requisitions, obtain procurement approval, confirm receipt of goods or services, verify invoices and complete financial compliance reviews. The process aims to strengthen documentation and accountability while reducing paperwork.

Financial accountability remained a major focus as delegates requested updated fiscal year 2026 financial balances, clarification of negative federal fund balances, and information about outstanding purchase orders and potential overcommitments in capital outlay accounts.

McCabe said the Nation's 2025 financial audit was complete and would be submitted to the Council. The federal single audit was expected soon, with preliminary concerns involving procurement compliance and whether spending under the American Rescue Plan Act (ARPA) met federal requirements.

As of May 31, 2026, approximately 30,000 Navajo elders ages 75 and older had been identified as eligible for the ARPA hardship assistance program, with about 6,000 having applied for assistance, McCabe reported. Council members requested broader outreach through senior centers and the five agencies to help more eligible elders apply.

The 25th Navajo Nation Council stressed that continued oversight will be necessary to ensure payroll corrections, outstanding payments, audit findings and financial reporting concerns are fully addressed. The Council voted 16 in favor and none opposed to accept the Controller's report.

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