

THE NAVAJO NATION
LEGISLATIVE BRANCH
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LEGISLATION NO: _0153-24_

SPONSOR: Carl R. Slater

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

Date posted: July 11, 2024 at 8:15PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0153-24

DATE: July 9, 2024

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

PURPOSE OF THIS LEGISLATION:

to approve the Audit Report and Corrective Action Plan for the Rock Point Chapter.

FINAL AUTHORITY and VOTE REQUIREMENT:

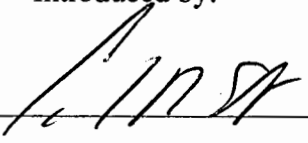
The Budget & Finance Committee has final authority. A simple majority vote is required.

OLC No. 24-253-1

5-DAY BILL HOLD PERIOD
Website Posting Time/Date
Posting End Date: 07-16-24
Eligible for Action: 07-17-24

1 PROPOSED STANDING COMMITTEE RESOLUTION
2 25th NAVAJO NATION COUNCIL - Second Year, 2024

3 Introduced by:

4 
5 _____
6 (Sponsor)

7
8 Tracking No. 0153-24

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10 AN ACTION
11 RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE
12 AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING
13 THE INTERNAL AUDIT OF THE ROCK POINT CHAPTER AND
14 APPROVING THE CHAPTER'S PROPOSED CORRECTIVE ACTION PLAN

15
16 BE IT ENACTED:

17
18 SECTION ONE. AUTHORITY

- 19 A. The Resources & Development Committee is the oversight committee for all 110 Navajo
20 Nation Chapters. 2 N.N.C. §501(C)(1).
21 B. As the oversight authority for Chapters, the Resources & Development Committee reviews
22 audit reports and proposed corrective action plans regarding Chapter financial matters. 12
23 N.N.C. §7(E).
24 C. The Budget & Finance Committee has the final authority to review and approve audit reports
25 issued by the Auditor General, as well as proposed corrective action plans. 12 N.N.C. §6(A)
26 and §7(D).

27
28 SECTION TWO. FINDINGS

- 29 A. In accordance with 12 N.N.C. §6, the Navajo Nation Office of the Auditor General has
30 provided an internal audit report of the Rock Point Chapter. This report is dated June 2023

1 (hereinafter referred to as "Audit Report"), and is attached hereto as **EXHIBIT 1**. This Audit
2 Report was prepared by the Auditor General's contracted audit firm WIPFLI out of Great Falls,
3 Montana. **EXHIBIT 2**. The Auditor General's summary of the findings in the Audit Report is
4 explained in a letter to the Rock Point Chapter President, dated August 31, 2022. **EXHIBIT 3**.

5 B. The Rock Point Chapter responded with a letter to the Auditor General regarding the Audit
6 Report. The Chapter's response is dated August 16, 2022 and is attached as **EXHIBIT 4**.

7 C. The Chapter provided a follow-up letter to the Auditor General, dated October 16, 2023.
8 **EXHIBIT 5**.

9 D. Along with the memorandum, the Chapter provided its detailed Corrective Action Plan
10 ("CAP") that was submitted to the Auditor General on October 16, 2023. The CAP addresses
11 the findings in the Audit Report, and the Chapter proposes to cure the Audit Report findings
12 by 6/28/2024. The Chapter's proposed Corrective Action Plan is attached as **EXHIBIT 6**.

13 E. In Resolution No. RPC-2024-11, the Rock Point Chapter approves the Chapter's Corrective
14 Action Plan to address and resolve the findings. **EXHIBIT 7**.

15
16 **SECTION THREE. ACCEPTING THE AUDIT OF THE ROCK POINT CHAPTER**
17 **AND APPROVING THE CHAPTER'S PROPOSED CORRECTIVE**
18 **ACTION PLAN**

19 A. The Navajo Nation hereby accepts the Auditor General's Audit Report of the Rock Point
20 Chapter dated June 2023, attached hereto as **EXHIBIT 1**.

21 B. The Navajo Nation hereby approves the Corrective Action Plan proposed by the Rock Point
22 Chapter, attached hereto as **EXHIBIT 6**. This Corrective Action Plan is approved for use by
23 the Rock Point Chapter in addressing and resolving the findings explained in the Audit Report.

24 C. The Rock Point Chapter is expected to resolve the unfavorable findings in the Audit Report no
25 later than 12/31/2024, which is the projected date proposed by the Chapter in its Corrective
26 Action Plan.

27
28 **SECTION FOUR. DIRECTIVES**

29 A. The Rock Point Chapter shall prepare and submit a written status report on its progress at
30 implementing all tasks set forth in its approved Corrective Action Plan. In compliance with 12

1 N.N.C. §7(F), the Rock Point Chapter shall submit said report to the Office of the Auditor
2 General no later than six months after the effective date of this Action.

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

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

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

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

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

20
21 **SECTION FIVE. EFFECTIVE DATE**

22 This Action shall become effective pursuant to 2 N.N.C. §221(C), 12 N.N.C. §6(A), and 12
23 N.N.C. §7(D).

24
25 **SECTION SIX. SAVING CLAUSE**

26 If any provision of this Action is determined invalid by the Navajo Supreme Court, or by a Navajo
27 Nation District Court without appeal to the Navajo Supreme Court, those provisions of this Action
28 that are not determined invalid shall be the law of the Navajo Nation.