

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0154-24_

SPONSOR: Germaine Simonson

TITLE: An Action Relating to the Resources and Development Committee and the Budget and Finance Committee; Accepting the “2nd Follow-Up Review of the Hardrock Chapter Corrective Action Plan Implementation” and Approving the Auditor General’s Recommended Sanctions Pursuant to 12 N.N.C. §7(G)

Date posted: July 11, 2024 at 8:19PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0154-24

DATE: July 10, 2024

RE: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE "2nd FOLLOW-UP REVIEW OF THE HARDROCK CHAPTER CORRECTIVE ACTION PLAN IMPLEMENTATION" AND APPROVING THE AUDITOR GENERAL'S RECOMMENDED SANCTIONS PURSUANT TO 12 N.N.C. §7(G)

PURPOSE OF THIS LEGISLATION:

to accept the Auditor General's 2nd Review of the Hardrock Chapter's implementation of its Corrective Action Plan, and to approve the Auditor General's recommended sanctions upon the Hardrock Chapter (10% of all funds for the Chapter to be withheld until full compliance with CAP).

FINAL AUTHORITY and VOTE REQUIREMENT:

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

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

Resources & Development Committee
Thence
Budget & Finance Committee

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

3 Introduced by:

4 
5 _____

6 (Sponsor)

7
8 Tracking No. 0154-24

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10 AN ACTION

11 RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE
12 AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE
13 "2nd FOLLOW-UP REVIEW OF THE HARDROCK CHAPTER CORRECTIVE
14 ACTION PLAN IMPLEMENTATION" AND APPROVING THE AUDITOR
15 GENERAL'S RECOMMENDED SANCTIONS PURSUANT TO 12 N.N.C. §7(G).

16
17 BE IT ENACTED:

18
19 SECTION ONE. AUTHORITY

- 20 A. The Resources and Development Committee of the Navajo Nation Council is the oversight
21 committee for all 110 Navajo Nation Chapters. 2 N.N.C. §501(C)(1).
- 22 B. As the oversight authority for Chapters, the Resources and Development Committee provides
23 its recommendations regarding proposed sanctions upon a Chapter for its failure to fully
24 implement a Corrective Action Plan, which Plan is designed to address the findings in the
25 Auditor General's audit report for that Chapter. 12 N.N.C. §7(I).
- 26 C. Twelve months after the release of an audit report, the Auditor General conducts a follow-
27 up review to assess whether the audited Chapter has satisfactorily implemented its Corrective
28 Action Plan. 12 N.N.C. §7(G).
- 29 D. The Budget and Finance Committee receives and reviews post-audit follow-up reports from
30 the Auditor General. 12 N.N.C. §6(B) and §7(H).

- 1 E. As part of the follow-up report, the Auditor General recommends sanctions for the failure to
2 fully implement a Corrective Action Plan. 12 N.N.C. §7(G).
- 3 F. Based on the follow-up report and the Auditor General’s recommendations, the Budget and
4 Finance Committee determines the sanctions to be imposed, if any. 12 N.N.C. §7(I).

5

6 **SECTION TWO. FINDINGS**

- 7 A. In accordance with 12 N.N.C. §6, the Auditor General has provided a “2nd Follow-Up Review
8 of the Hardrock Chapter Corrective Action Plan Implementation.” This report is dated March
9 2024 (hereinafter referred to as “2nd Review”), and is attached hereto as **EXHIBIT 1** and
10 **SubExhibit A**.
- 11 B. The Auditor General’s summary of findings in the 2nd Review is explained in a letter to the
12 Hardrock Chapter President, dated March 29, 2024. **SubExhibit A**.
- 13 C. In Resolution No. BFO-40-18, the Budget and Finance Committee approved the Corrective
14 Action Plan for the Hardrock Chapter. **SubExhibit B**.
- 15 D. According to the 2nd Review, there are six out of ten audit findings that remain unresolved,
16 therefore the Hardrock Chapter’s Corrective Action Plan has not been satisfactorily
17 implemented. **SubExhibit A**.
- 18 E. As a result of the Chapter’s failure to timely complete its Corrective Action Plan, the Auditor
19 General recommends sanctions upon the Hardrock Chapter, in accordance with 12 N.N.C.
20 §9(B), as follows: 10% of all money allocated to the Hardrock Chapter from any Navajo
21 Nation government fund shall be withheld until the Corrective Action Plan is fully
22 implemented. **SubExhibit A**.

23

24 **SECTION THREE. ACCEPTING THE 2nd REVIEW OF THE HARDROCK**
25 **CHAPTER AND APPROVING THE AUDITOR GENERAL’S**
26 **RECOMMENDED SANCTIONS PURSUANT TO 12 N.N.C. §7(G).**

- 27 A. The Navajo Nation hereby accepts the Auditor General’s “2nd Follow-Up Review of the
28 Hardrock Chapter Corrective Action Plan Implementation” dated March 2024, attached as
29 **EXHIBIT 1** and **SubExhibit A**.
- 30 B. The Navajo Nation hereby approves the Auditor General’s recommended sanctions upon the

1 Hardrock Chapter, in accordance with 12 N.N.C. §9(B), for its failure to satisfactorily
2 implement the Chapter's Corrective Action Plan approved in BFO-40-18. Said sanctions are
3 as follows: 10% of all money allocated to the Hardrock Chapter from any Navajo Nation
4 government fund shall be withheld until the Corrective Action Plan approved in BFO-40-18
5 is fully implemented.

6
7 **SECTION FOUR. DIRECTIVES**

8 A. Promptly upon the Effective Date of this Action, the Controller shall take immediate steps
9 as necessary and appropriate to implement the sanctions upon the Hardrock Chapter as set
10 forth herein, and shall provide written notification to the Auditor General regarding such
11 steps taken. 12 N.N.C. §9(B).

12 B. Pursuant to 12 N.N.C. §9(B), as soon as the Hardrock Chapter submits proof of its
13 completion of its Corrective Action Plan to the Auditor General, the Auditor General shall
14 immediately report the Chapter's compliance to the Controller who shall then release all
15 withheld funds to the Hardrock Chapter.

16
17 **SECTION FIVE. EFFECTIVE DATE**

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

20
21 **SECTION SIX. SAVING CLAUSE**

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