

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
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LEGISLATION NO: \_0156-24\_

SPONSOR: Amber Kanazbah Crotty

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

***Date posted:*** July 11, 2024 at 8:29PM

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## SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0156-24

DATE: July 10, 2024

**RE: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE INTERNAL AUDIT OF THE SHEEP SPRINGS 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 Sheep Springs Chapter.

### **FINAL AUTHORITY and VOTE REQUIREMENT:**

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

OLC No. 24-317-1

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 25<sup>th</sup> NAVAJO NATION COUNCIL - Second Year, 2024

3 Introduced by:

4   
5  
6 (Sponsor)

7  
8 Tracking No. 0156-24

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10 AN ACTION  
11 RELATING TO THE RESOURCES AND DEVELOPMENT COMMITTEE AND  
12 THE BUDGET AND FINANCE COMMITTEE; ACCEPTING THE INTERNAL  
13 AUDIT OF THE SHEEP SPRINGS CHAPTER AND APPROVING THE  
14 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 Sheep Springs Chapter. This report is dated September

1 2023 (hereinafter referred to as “Audit Report”), and is attached hereto as **EXHIBIT 1**.

2 B. The Audit Report was prepared by the Auditor General’s contracted audit firm, Heinfeld,  
3 Meech & Co. out of Scottsdale, Arizona. **EXHIBIT 2**. The Auditor General’s summary of the  
4 findings in the Audit Report is explained in a letter to the Sheep Springs Chapter President,  
5 dated September 29, 2023. **EXHIBIT 3**.

6 C. The Sheep Springs Chapter responded with a letter to the Auditor General regarding the Audit  
7 Report. The Chapter’s response is dated September 29, 2023 and is attached as **EXHIBIT 4**.

8 D. The Chapter provided its proposed Corrective Action Plan, submitted to the Auditor General’s  
9 office on March 18, 2024. **EXHIBIT 5**. The Chapter proposes to address the findings in the  
10 Audit Report by November 30, 2024.

11 E. In Resolution No. TC-2024-038, the Sheep Springs Chapter approves the Chapter’s Corrective  
12 Action Plan to address and resolve the findings. **EXHIBIT 6**.

13  
14 **SECTION THREE. ACCEPTING THE AUDIT OF THE SHEEP SPRINGS CHAPTER**  
15 **AND APPROVING THE CHAPTER’S PROPOSED CORRECTIVE**  
16 **ACTION PLAN**

17 A. The Navajo Nation hereby accepts the Auditor General’s Audit Report of the Sheep Springs  
18 Chapter dated September 2023, attached hereto as **EXHIBIT 1**.

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

23 C. The Sheep Springs Chapter is expected to resolve the unfavorable findings in the Audit Report  
24 no later than November 30, 2024, which is the projected date proposed by the Chapter in its  
25 Corrective Action Plan.

26  
27 **SECTION FOUR. DIRECTIVES**

28 A. The Sheep Springs Chapter shall prepare and submit a written status report on its progress at  
29 implementing all tasks set forth in its approved Corrective Action Plan. In compliance with 12  
30 N.N.C. §7(F), the Sheep Springs Chapter shall submit said report to the Office of the Auditor

1 General no later than six months after the effective date of this Action.

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

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

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