

# **Tachee/Blue Gap Chapter Corrective Action Plan** **Supplemental 12-Month Follow Up**

## **Background**

Per directive by the Budget and Finance Committee (BFC), the Office of the Auditor General conducted a supplemental follow-up review on the Tachee/Blue Chapter. BFC resolution BFAP-61-03 directed the Tachee/Blue Gap Chapter to comply with its corrective action plan. If the Chapter fails to comply with the BFC directive, BFC authorizes the Navajo Nation Controller to execute the sanction against the Chapter pursuant to Title 12 Navajo Nation Code §§ 9(B) and 9(C).

## **Objective, Scope and Methodology**

The supplemental review was conducted to determine whether the Chapter complied with the BFC directive to implement its corrective action plan. To meet our objective, we reviewed Chapter activities for a four-month period beginning April 01, 2003 through July 31, 2003. Our review consisted of inquiry of Chapter staff and review of documents. We reviewed the Chapter's disbursement process by selecting samples of expenditures from the fund ledgers using a non-statistical, judgmental sampling method. In addition, we reviewed the Chapter's progress in implementing its five management system.

## **Review Results/Conclusion**

The supplemental review found that the Tachee/Blue Gap Chapter complied with BFC directive to implement its corrective action plan. As a result, the Office of the Auditor General is rescinding its previous recommendation to sanction the Tachee/Blue Gap Chapter and Tachee/Blue Gap Chapter Officials. Although the review found some internal control weaknesses remain in the Chapter's system, the controls can be strengthened with closer guidance and greater technical assistance from Local Governance Support Center. Accordingly, the Office of the Auditor General issued a management letter to the Tachee/Blue Gap Chapter officials to provide recommendations for improving their system.