

SUMMARY

The Navajo Nation Office of the Auditor General conducted a follow-up review of the Red Valley Chapter corrective action plan (CAP) implementation regarding audit report no. 01-12 approved by the Budget and Finance Committee on July 22, 2002 per resolution no. BFJY-86-02.

Our CAP follow-up review found:

Finding I:

- 4 of 10 corrective measures for Finding I have been implemented, and
- 6 of 10 corrective measures for Finding I have not been implemented.

Finding II:

- 2 of 2 corrective measures for Finding II have not been implemented.

Overall, 8 of 12 corrective measures from the Red Valley Chapter (Chapter) corrective action plan approved by the Budget and Finance Committee have yet to be implemented. Since most of the corrective actions have not been implemented, the audit findings remain unresolved. Further, the Office of the Auditor General recommends Red Valley Chapter be sanctioned in accordance with 12 Navajo Nation Code (N.N.C.), Section 9(B) for failure to fully implement the corrective action plan. This sanction includes withholding 10% of monies payable from any Governmental Fund of the Navajo Nation until such time the Chapter demonstrates to the Auditor General that the corrective action plan has been implemented. Once proof of implementation of the corrective action plan has been demonstrated, the Auditor General shall immediately report this compliance to the Controller who shall then release all withheld funds to the Chapter.

Until the audit deficiencies have been resolved, the Red Valley Chapter cannot provide reasonable assurance that the Chapter's accounting system and internal control structure are acceptable and that construction projects are administered effectively.