

## SUMMARY

The Office of the Auditor General conducted a 3<sup>rd</sup> follow-up review of the Nageezi Chapter corrective action plan (CAP) implementation in accordance with 12 N.N.C. Section 7. This 3<sup>rd</sup> follow-up review was to determine whether Nageezi Chapter implemented its CAP to resolve the findings presented in audit report no. 00-26.

Our 3<sup>rd</sup> follow-up review found:

- 8 of 10 corrective measures have been implemented.
- 2 of 10 corrective measures have implementation in process.

The Nageezi Chapter has implemented the remaining corrective measures within its CAP to resolve the various findings noted in the initial audit report no. 00-26. Of the ten (10) outstanding corrective measures from the corrective action plan approved by the Budget and Finance Committee (BFC) per resolution no. BFAP-38-01, the Chapter implemented eight (8) correctives measures with the implementation of two (2) corrective measures still in process.

A key contributing factor to the Chapter's improvements was the new staff hired since 2006. Nevertheless, further training for the Chapter staff is still needed to ensure improvements continue and to facilitate the completion of the Chapter's Five Management System (FMS) manual with formal adoption of the policies and procedures by the Chapter membership. There is also a need for the Local Governance Support Center (LGSC) to continually monitor the Chapter operations and activities on a routine basis. For this 3<sup>rd</sup> follow-up review, LGSC initially gave verbal assurance to the Auditor General that the Nageezi Chapter had fully implemented the corrective measures. However, the review revealed that some corrective measures were not actually completed as initially claimed by the Chapter and LGSC. Consequently, the review team had to work closely with the Chapter staff to make appropriate corrections to the Chapter accounting records and financial reports.

Overall, based on this 3<sup>rd</sup> follow-up review, the Nageezi Chapter has implemented its corrective action plan. As a result, the Chapter has reasonably resolved the deficiencies previously reported in the audit of the Nageezi Chapter. Therefore, the Office of the Auditor General recommends to the Navajo Nation Office of the Controller to stop withholding the funding allocated to Nageezi Chapter and release all withheld funds to the Chapter including any withheld stipends for the Chapter officials.