

SUMMARY

At the request of the Navajo-Hopi Land Commission Office (NHLCO), the Office of the Auditor General (OAG) conducted a supplemental follow-up review on the status of the NHLCO corrective action plan (CAP) implementation. The CAP was approved by the Budget and Finance Committee (BFC) on January 15, 2002 per resolution no. BFJA-07-02. OAG conducted a follow-up review on NHLCO and found that there was minimal effort by NHLCO to complete the 48 Hopi Partitioned Land (HPL) home project. Thereafter, OAG recommended sanctions on the NHLCO and its Executive Director in accordance with 12 N.N.C., § 9(B) and 9(C). The BFC approved the sanction on May 2, 2005, via resolution no. BFMY-21-05.

This supplemental follow-up review focused on determining whether NHLCO has fully implemented its corrective action plan to resolve the audit findings. Our supplemental follow up review found:

- 8 of 13 corrective measures have been implemented.
- 5 of 13 corrective measures have not been implemented.

The Navajo-Hopi Land Commission Office has implemented eight out of thirteen corrective actions outlined in its CAP. Although five corrective actions were not implemented, NHLCO made some efforts to minimize the negative impact of those corrective actions that were not implemented. For example, in lieu of inspection reports, a one year home warranty was provided by the contractor guaranteeing the workmanship of the work he did on the 20 homes. Furthermore, the 20 home recipients signed waivers agreeing to accept the property "as is" relieving the NHLCO from potential liability. Overall, the NHLCO has made some effort to correct the deficiencies previously reported in the audit of NHLCO. Therefore, the Office of the Auditor General recommends the Navajo Nation Office of the Controller to stop withholding the funding allocated to NHLCO and release all withheld funds to the program and the withheld salary of the Executive Director of NHLCO.