

SUMMARY

The Navajo Nation Office of the Auditor General conducted a follow-up review of the Houck Chapter corrective action plan (CAP) implementation in accordance with 12 N.N.C. Section 7. The follow up review was to determine whether Houck Chapter implemented its CAP to resolve the audit findings presented in audit report no. 05-12. The Budget and Finance (BFC) approved the CAP on March 6, 2006 per resolution no. BFM-06-06 to address the audit findings presented in audit report no. 05-12.

Our CAP follow-up review found:

Finding I:

- 22 of 33 corrective measures have been implemented.
- 11 of 33 corrective measures have not been implemented.

Finding II:

- 2 of 4 corrective measures have been implemented.
- 2 of 4 corrective measures have not been implemented.

Finding III:

- 1 of 3 corrective measures have been implemented.
- 2 of 3 corrective measures have not been implemented.

Overall, 15 of 40 (38%) corrective measures from the Houck Chapter corrective action plan approved by the Budget and Finance Committee have not been implemented. The Chapter Community Services Coordinator (CSC) was hired in October 2007 and the Office Specialist (OS) in April 2008. Considering this, the current CSC had approximately one year to implement the corrective action plan to resolve the audit findings. In addition, the Chapter Vice-President and Secretary/Treasurer who were recently re-elected had ample opportunity to ensure the corrective action plan was fully implemented. However, our review shows that the Chapter has not fully implemented the corrective action plan. Consequently, the Chapter still has control weaknesses such as lack of effective monitoring, unreliable accounting records and poor implementation of established policies and procedures. To ensure the Chapter can maintain an effective and reliable five management system, all corrective measures need to be implemented.

Title 12 N.N.C Section 8 imposes upon Houck Chapter the duty to implement the corrective action plan according to the terms of the plan. Since all of the corrective measures were not implemented, the Chapter has not demonstrated sufficient improvements to ensure proper accountability of Chapter assets and resources. In conclusion, the Office of the Auditor General recommends that sanctions be imposed against the Houck Chapter and the Chapter Vice President and Secretary/Treasurer in accordance with 12 N.N.C Section 9 (B) and (C) for failure to fully implement the corrective action plan. The Office of the Auditor General recommends to not sanction the newly elected Chapter President because he did not have any role in the Chapter's failure to implement its corrective action plan.