

SUMMARY

The Navajo Nation Office of the Auditor General has conducted a follow-up review of the Kaibiito Chapter corrective action plan (CAP) implementation. The Budget and Finance Committee (BFC) approved the CAP on June 04, 2002 per resolution no. BFJN-58-02 to address the audit findings presented in audit report no. 01-09.

Our CAP follow-up review found:

Finding I:

- 1 of 17 corrective measures have been implemented,
- 14 of 17 corrective measures have not been implemented, and
- 2 of 17 corrective measures were deemed not applicable.

Finding II:

- 2 of 2 corrective measures were deemed not applicable.

Finding III:

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

Overall, the Kaibiito Chapter has implemented only three (3) of twenty-two (22) corrective measures. Of the remaining nineteen (19) corrective measures, four (4) were deemed not applicable at this time and fifteen (15) have not been fully implemented. Corrective measures to strengthen internal controls have not been implemented. Consequently, control weaknesses continue to exist and have resulted in incomplete and inaccurate accounting records; noncompliance with applicable rules, regulations and funding guidelines; and unreliable financial reporting. Poor monitoring by the Chapter officials and inadequate technical assistance by LGSC contributed to the control deficiencies.

With the corrective measures not fully implemented, the Kaibiito Chapter has not demonstrated much needed improvements to ensure proper accountability of Chapter assets and resources. In conclusion, the Office of the Auditor General recommends that sanctions be imposed on the Kaibiito Chapter and officials in accordance with 12 N.N.C., Section 9(B) and (C) for failure to fully implement the corrective action plan.