

SUMMARY

The Navajo Nation Office of the Auditor General conducted a follow-up review of the Tonalea Chapter corrective action plan (CAP) implementation. The Budget and Finance Committee (BFC) approved the CAP on October 25, 2004 per resolution no. BFO-53-04 to address the audit findings presented in audit report no. 04-03.

Our CAP follow-up review found:

Finding I:

- 10 of 24 corrective measures have been implemented,
- 12 of 24 corrective measures have not been implemented, and
- 2 of 24 corrective measures were deemed not applicable.

Finding II:

- 1 of 7 corrective measures have been implemented, and
- 6 of 7 corrective measures have not been implemented.

Finding III:

- 4 of 4 corrective measures have not been implemented.

Overall, the Tonalea Chapter has implemented only eleven (11) of thirty-five (35) corrective measures. Of the remaining twenty-four (24) corrective measures, two were deemed not applicable at this time and twenty-two (22) have not been fully implemented. Corrective measures to strengthen internal controls have not been implemented and a five management system has not been adopted. Consequently, control weaknesses continue to exist and have resulted in incomplete and inaccurate accounting records; noncompliance with applicable rules, regulations and funding guidelines; incorrect accounting procedures; and lack of financial reporting. Poor monitoring by the Chapter officials and inadequate technical assistance by LGSC are the likely reasons for the control deficiencies.

With the corrective measures not fully implemented, the Tonalea 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 Tonalea Chapter and officials in accordance with 12 N.N.C., Section 9(B) and (C) for failure to fully implement the corrective action plan.