

SUMMARY

The Navajo Nation Office of the Auditor General conducted a follow-up review of the Klagetoh Chapter corrective action plan (CAP) implementation. The Budget and Finance Committee (BFC) approved the CAP on September 8, 2008 per resolution no. BFS-22-08 to address the audit findings presented in audit report no. 08-16.

Our CAP follow-up review found:

Finding I:

- 2 of 16 corrective measures have been implemented.
- 14 of 16 corrective measures have not been implemented.

Finding II:

- 1 of 6 corrective measures has been implemented.
- 5 of 6 corrective measures have not been implemented.

Finding III:

- 5 of 5 corrective measures have not been implemented.

Overall, the Klagetoh Chapter has implemented only three (3) of twenty-seven (27) corrective measures, leaving twenty-four (24) corrective measures not fully implemented. The Klagetoh Chapter did not correct the deficiencies previously reported in the audit of the chapter. The following deficiencies remain unresolved; lack of segregation of duties, non-compliance of funding guidelines, lack of knowledge of the accounting system and lack of financial reporting. With most of the corrective measures not implemented, the Chapter has not maintained an effective accounting system with appropriate internal controls. In conclusion, the Office of the Auditor General recommends that sanctions be imposed on the Klagetoh Chapter and officials in accordance with 12 N.N.C., Section 9(B) and 9(C) for failure to fully implement the corrective action plan.

We recommend the Fort Defiance Agency Local Governance Support Center (LGSC) provide one-on-one training to chapter staff and closely monitor the chapter's implementation of the corrective action plan. LGSC should reassess the effectiveness of the training being provided to the chapter and make appropriate changes if the purpose of the training is not being accomplished.