

## SUMMARY

The Navajo Nation Office of the Auditor General conducted a follow-up review of the Shiprock Chapter corrective action plan (CAP) implementation. The Budget and Finance Committee approved the CAP on May 20, 2008 per resolution no. BFMY-13-08. This review was conducted in accordance with 12 N.N.C. Section 7 (G) to determine whether the Chapter has implemented the CAP.

Our CAP implementation follow-up review found:

Finding I:

- 1 of 11 corrective measures has been implemented; and
- 10 of 11 corrective measures have not been implemented.

Finding II:

- 3 of 3 corrective measures have not been implemented.

Finding III:

- 5 of 5 corrective measures have not been implemented.

Overall, the Shiprock Chapter has implemented only one of 19 corrective measures from its corrective action plan. With 18 corrective measures not implemented, internal control weaknesses continue to exist resulting in noncompliance with laws, established policies, and funding guidelines, overall poor accountability of Chapter resources, and discord within Chapter management and operations.

Since the corrective measures have not been fully implemented, the Shiprock 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 Shiprock Chapter and officials in accordance with 12 N.N.C., Sections 9 (B) and 9 (C) for failure to implement the corrective action plan. The Office of the Auditor General also recommends the sanctions be imposed until such time the Shiprock Chapter fully implements its corrective action plan and resolves all issues cited in this follow up report.