

SUMMARY

The Navajo Nation Office of the Auditor General conducted a supplemental follow-up review of the Thoreau Chapter corrective action plan (CAP) implementation. The Budget and Finance Committee approved the CAP on October 13, 2008 per resolution no. BFO-25-08 to address the audit findings presented in the audit report that was issued June 30, 2008. On September 29, 2011, the Auditor General issued report no. 11-35, the result of the follow-up review on the Chapter's corrective action plan implementation. This follow-up review revealed that of the 18 corrective measures outlined in its CAP, the Chapter only implemented two, leaving 16 corrective measures not implemented. Consequently, the Auditor General recommended sanctions be imposed on Thoreau Chapter and its officials.

On November 01, 2011, the Resources and Development Committee deferred the proposed legislation to sanction Thoreau Chapter for 30 days and directed the Auditor General to conduct a supplemental follow-up review. This decision was based on the Chapter's representation to the Committee that the outstanding corrective measures have been implemented. Accordingly, our supplemental follow-up review found:

Finding I:

- 1 of 7 corrective measures has been implemented,
- 5 of 7 corrective measures have not been implemented, and
- 1 of 7 corrective measures could not be evaluated.

Finding II:

- 2 of 2 corrective measures have not been implemented.

Finding III:

- 1 of 4 corrective measures has been implemented, and
- 3 of 4 corrective measures have not been implemented.

Finding IV:

- 1 of 3 corrective measures has not been implemented, and
- 2 of 3 corrective measures are in the process of implementation.

Overall, of the 16 outstanding corrective measures, the Thoreau Chapter implemented two corrective measures, 11 measures were not implemented, two measures are in the process of implementation, and one measure cannot be evaluated due to lack of activity. Corrective measures to strengthen internal controls and comply with rules, policies, and funding stipulations have not been implemented. Consequently, Chapter organizational goals and objectives cannot be achieved.

The majority of corrective measures not fully implemented reveal the Thoreau Chapter has not demonstrated improvements were made to ensure proper accountability and safeguarding of Chapter assets and resources. In conclusion, the Office of the Auditor General recommends that sanctions be imposed on the Thoreau Chapter and officials in accordance with 12 N.N.C., sections 9(B) and 9(C) for failure to fully implement the corrective action plan.