

SUMMARY

The Navajo Nation Office of the Auditor General conducted a supplemental follow-up review of the Baca/Prewitt Chapter corrective action plan (CAP) implementation in accordance with 12 N.N.C. Section 7. The supplemental follow-up review is to determine whether Baca/Prewitt Chapter has implemented its CAP to resolve the findings presented in the audit report no. 07-08.

Our supplemental follow-up review found:

AUDIT FINDING I: Chapter lacks effective internal controls

STATUS: Implemented

AUDIT FINDING II: Chapter accounting system requires improvement

STATUS: Implemented

AUDIT FINDING III: Implementation of the Five Management System will ensure better accountability

STATUS: Implemented

The Baca/Prewitt Chapter has implemented the remaining 21 corrective measures within its CAP to resolve the three major findings noted in the initial audit report 07-08. Overall, the Chapter has sufficiently improved and strengthened its internal controls over its Chapter operations to resolve the audit findings.

A key contributing factor to the Chapter's improvements was the hiring of the new staff. However, continued training for the Chapter staff and routine monitoring by Local Governance Support Center (LGSC) are still needed to ensure improvements continue in the implementation of the Chapter's Five Management System.

With the implementation of the corrective measures, the Baca/Prewitt Chapter has demonstrated improvements to ensure proper accountability and safeguard of the Chapter assets and resources. Accordingly, the Office of the Auditor General concluded to lift the sanctions against the Baca/Prewitt Chapter and Officials and a memorandum will be provided to the Office of Controller to release all withheld funds to the Chapter and Chapter Officials in accordance to the authority vested with the Auditor General pursuant to Title 12 section 9 (B) and (C).